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TITLE 6—AGRICULTURAL CREDIT

Chapter I—Farm Credit Administration, Department of Agriculture

Subchapter F—Banks for Cooperatives

[FCA Order 454]

PART 70—LOAN INTEREST RATES AND SECURITY

INTEREST RATE ON LOANS SECURED BY COMMODITY CREDIT CORPORATION LOAN DOCUMENTS

Section 70.90–51 of Title 6 of the Code of Federal Regulations, is hereby amended, effective June 30, 1947, to read as follows:

§ 70.90–51 *Interest rate on loans secured by Commodity Credit Corporation loan documents.* The rate of interest on loans made on or after June 30, 1947, by any district bank for cooperatives or the Central Bank for Cooperatives to eligible farmers' cooperatives, upon the security of approved Commodity Credit Corporation loan documents, shall be 1½ per centum per annum.

(Sec. 8, 46 Stat. 14, as amended; 12 U. S. C. 1141f)

[SEAL] I. W. DUGGAN, *Governor.*

JULY 1, 1947.

[F. R. Doc. 47–6354; Filed, July 8, 1947; 8:46 a. m.]

TITLE 7—AGRICULTURE

Chapter I—Production and Marketing Administration (Standards, Inspections, Marketing Practices)

Subchapter K—Federal Seed Act

PART 201—FEDERAL SEED ACT REGULATIONS

KENTUCKY BLUEGRASS SEED; EXEMPTION OF LABELING REQUIREMENTS

It having been found that the time interval between seed harvesting and sowing is not sufficient to assure the completion of a germination test of freshly harvested seed of Kentucky bluegrass, Poa pratensis, now therefore pursuant to the provisions of section 203 (c) of the Federal Seed Act of August 9, 1939 (53 Stat. 1275; 7 U. S. C. 1573 (c)), the following regulation is hereby promulgated:

Exemption from labeling as to germination of Kentucky bluegrass seed. The requirements of paragraph 201 (a) (8) of the Federal Seed Act of August 9, 1939, as to labeling seed for germination when transported or delivered for transportation in interstate commerce for seeding purposes, shall not apply to the 1947 crop of seed of Kentucky bluegrass, Poa pratensis, during the period beginning August 7, 1947, and ending October 15, 1947.

Section 203 (c) of the Federal Seed Act of August 9, 1939, provides that the Secretary of Agriculture may, with or without hearing, amend the regulations issued thereunder to provide exemptions from labeling requirements with respect to germination. Pursuant to this provision, the Secretary in various prior years amended the regulations to provide for a seasonal exemption from such labeling requirements, similar to the one provided for herein, for freshly harvested seed of Kentucky bluegrass, and there were never any objections to such action. The carry-over of this seed from the former crop year is not sufficient to meet the planting requirements therefor and by reason of the imminence of the planting season it is in the public interest that notice of the exemption of such seed from labeling requirements as to germination be published as soon as possible. In view of these facts, and the further fact that such an amendment grants an exemption, it is found that compliance with sections 4 (a) and 4 (b) of the Administrative Procedure Act is unnecessary and contrary to the public interest.

Issued this 3d day of July 1947.

(Sec. 203 (c), 53 Stat. 1275, 7 U. S. C. 1573 (c))

[SEAL] N. E. DODD, *Acting Secretary of Agriculture.*

[F. R. Doc. 47–6388; Filed, July 8, 1947; 8:46 a. m.]

TITLE 17—COMMODITY AND SECURITIES EXCHANGES

Chapter II—Securities and Exchange Commission

PART 230—GENERAL RULES AND REGULATIONS, SECURITIES ACT OF 1933

DISCLOSURES CONTRAVENING CODE OF WARTIME PRACTICES

The Securities and Exchange Commission, acting pursuant to the Securities

(Continued on next page)

CONTENTS

	Page
Agriculture Department	
See also Farm Credit Administration.	
Proposed rule making:	
Lemons in California and Arizona, handling	4516
Milk handling:	
Cincinnati, Ohio, area	4517
Philadelphia, Pa., area	4517
Rules and regulations:	
Kentucky bluegrass seed; exemption from labeling requirements	4447
Alien Property, Office of	
Notices:	
Vesting orders, etc.:	
Alsguth, Margarete, and Diedrich Von Doehlen	4526
Asahi Petroleum Co. and Nihon Sekiyu Kabushiki Kaisha	4525
Bock, Carl	4527
Deinhardt, Paula Kohler	4525
Henbeck, Friedrich	4524
Huber, Marie, et al	4525
Lingg, Fredrick	4526
Michaelis, Sophie	4526
Rheinische Bauernbank and Westdeutsche Landbank	4527
Sale and Co., Ltd	4527
Schuh, Anna, and Frieda Feyerbend	4528
Sontag, Gustav, et al	4528
Customs Bureau	
Rules and regulations:	
Articles conditionally free, subject to reduced rate, etc.; public international organizations	4450
Marking, special, on certain articles	4450
Defense Transportation, Office of	
Rules and regulations:	
Administration, procedures; certification of transportation personnel for deferment from military service	4516
Farm Credit Administration	
Rules and regulations:	
Interest rate on loans secured by Commodity Credit Corporation loan documents	4447
Federal Power Commission	
Notices:	
Hearings, etc.:	
Colorado-Wyoming Gas Co.	4520

FEDERAL REGISTER

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CONTENTS—Continued

Federal Power Commission—Continued — Page
Notices—Continued
Hearings, etc.—Continued
Interstate Natural Gas Co., Inc. — 4521
Memphis Natural Gas Co. — 4521
United Gas Pipe Line Co. — 4521

Federal Trade Commission
Notices:
Hearings, etc.:
Independent Directory Corp. et al. — 4522
Unicorn Press — 4522

Interstate Commerce Commission — Page
Notices:
Unloading:
Fertilizer at Galveston, Tex. — 4523
Popcorn at Laredo, Tex. — 4523
Rules and regulations:
Car service; movement of grain to terminal elevators by permit — 4516
Steam roads; uniform system of accounts — 4451

Securities and Exchange Commission
Notices:
Hearings, etc.:
Behel, Johnsen & Co., Inc. — 4523
Kentucky Utilities Co. et al. — 4524
Midland United Co. — 4523
Philadelphia Co. et al. — 4523
Rules and regulations:
Banking organizations, international; exemption of certain securities — 4449
Code of Wartime Practices, disclosures contravening (3 documents) — 4447, 4449, 4450
International Bank, securities for reconstruction and development — 4450
Securities Act of 1933, definitions of terms — 4449

Social Security Administration
Notices:
Unemployment Compensation Commission, certification of Montana — 4522

State Department
Rules and regulations:
Use of original records of Department of State — 4450

Wage and Hour Division
Notices:
Appointment of Special Industry Committee No. 5 for Puerto Rico; addition to list of industries — 4520

CODIFICATION GUIDE

A numerical list of the parts of the Code of Federal Regulations affected by documents published in this issue. Proposed rules, as opposed to final actions, are identified as such in parentheses.

Title 6—Agricultural Credit — Page
Chapter I—Farm Credit Administration, Department of Agriculture:
Part 70—Loan interest rates and security — 4447

Title 7—Agriculture
Chapter I—Production and Marketing Administration (Standards, Inspections, Marketing Practices):
Part 201—Federal Seed Act regulations — 4447
Chapter IX—Production and Marketing Administration (Marketing Agreements and Orders):
Part 953—Lemons grown in California and Arizona (proposed) — 4516
Part 961—Milk in Philadelphia, Pa., marketing area (proposed) — 4517

Title 7—Agriculture—Con. — Page
Chapter IX—Production and Marketing Administration (Marketing Agreements and Orders)—Continued
Part 965—Milk in Cincinnati, Ohio, marketing area (proposed) — 4517

Title 17—Commodity and Securities Exchanges
Chapter II—Securities and Exchange Commission:
Part 230—General rules and regulations, Securities Act of 1933 (2 documents) — 4447, 4449
Part 240—General rules and regulations, Securities Exchange Act of 1934 (2 documents) — 4449
Part 250—General rules and regulations, Public Utility Holding Company Act of 1935 — 4450
Part 261—Interpretative releases relating to Trust Indenture Act of 1939 and general rules and regulations thereunder — 4450

Title 19—Customs Duties
Chapter I—Bureau of Customs, Department of the Treasury:
Part 10—Articles conditionally free, subject to a reduced rate, etc. — 4450
Part 11—Packing and stamping; marking; trade-marks and trade names; copyrights — 4450

Title 22—Foreign Relations
Chapter I—Department of State:
Part 44—Use of original records of the Department of State — 4450

Title 49—Transportation and Railroads
Chapter I—Interstate Commerce Commission:
Part 10—Steam roads: uniform system of accounts — 4451
Part 95—Car service — 4516
Chapter II—Office of Defense Transportation:
Part 503—Administration — 4516

Act of 1933, particularly section 19 (a) thereof, and deeming such action necessary and appropriate in the public interest and for the protection of investors and necessary and appropriate to carry out the provisions of the foregoing act and for the exercise of the functions vested in the Commission thereunder, hereby repeals § 230.171 (Rule 171) under the Securities Act of 1933, which relates to disclosures contravening the Code of Wartime Practices. The Commission finds that this section no longer serves any useful purpose.

(Sec. 19 (a), 48 Stat. 85; 15 U. S. C. 77s)

Effective August 1, 1947.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

JUNE 24, 1947.

[F. R. Doc. 47-6346; Filed, July 8, 1947; 8:54 a. m.]

PART 230—GENERAL RULES AND REGULATIONS, SECURITIES ACT OF 1933

DEFINITIONS OF TERMS USED IN THE ACT

The Securities and Exchange Commission, acting pursuant to authority conferred upon it by the Securities Act of 1933, as amended, particularly sections 2 (11) and 19 (a) thereof, and deeming such action necessary to carry out the provisions of the act and appropriate in the public interest and for the protection of investors, hereby takes the following action:

Section 230.144 (Rule 144) is adopted under the Securities Act of 1933, to read as follows:

§ 230.144 *Definition of "has purchased," "sells for," "participates," and "participation" as used in section 2 (11), in relation to certain transactions in the securities of international banking organizations.* The terms "has purchased," "sells for," "participates," and "participation," in section 2 (11), shall not be deemed to apply to any action of any person in acquiring or selling securities issued by any international banking organization, *Provided,* (a) The United States is a member of such organization pursuant to treaty or statute, (b) The officers and directors of such organization are immune from legal process with respect to acts performed by them in their official capacities, (c) The interest of the person acquiring or selling the securities is limited to a Commission or concession not in excess of the usual and customary distributors' or sellers' commission or concession, and (d) Such person makes a bona fide attempt for a reasonable time to distribute such securities, at no more than the public offering price initially specified in the prospectus filed under the act, before any part of the securities purchased by such person from the issuer or sold by such person for the issuer at a commission or concession is retained by such person for his own account or sold or offered to (1) a partner, officer, director or employee of such persons or (2) any other person controlling, controlled by, or under common control with, such person, or (3) any account in which such person or any person described in clause (1) or (2) has a beneficial interest. (Secs. 2 (11) and 19 (a), 48 Stat. 74, 85; 15 U. S. C. 77b, 77a)

The Commission finds that § 230.144 is an interpretative rule; that the other rules grant exemptions and relieve restrictions; that notice and public procedure pursuant to section 4 (a) and (b) of the Administrative Procedure Act are impracticable and unnecessary; and that the rules may be declared effective immediately pursuant to section 4 (c) of that act.

Effective June 25, 1947.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

JUNE 25, 1947.

[F. R. Doc. 47-6438; Filed, July 8, 1947; 8:55 a. m.]

PART 240—GENERAL RULES AND REGULATIONS, SECURITIES EXCHANGE ACT OF 1934

DISCLOSURES CONTRAVENING CODE OF WARTIME PRACTICES

The Securities and Exchange Commission, acting pursuant to the Securities Exchange Act of 1934, particularly section 23 (a) thereof, and deeming such action necessary and appropriate in the public interest and for the protection of investors and necessary and appropriate to carry out the provisions of the foregoing act and for the exercise of the functions vested in the Commission thereunder, hereby repeals § 240.0-6 (Rule X-6) under the Securities Exchange Act of 1934, which relates to disclosures contravening the Code of Wartime Practices. The Commission finds that this section no longer serves any useful purpose.

(Sec. 23 (a), 48 Stat. 901; 15 U. S. C. 78w)

Effective August 1, 1947.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

JUNE 24, 1947.

[F. R. Doc. 47-6347; Filed, July 8, 1947; 8:54 a. m.]

PART 240—GENERAL RULES AND REGULATIONS, SECURITIES EXCHANGE ACT OF 1934

EXEMPTION OF CERTAIN SECURITIES OF INTERNATIONAL BANKING ORGANIZATIONS

The Securities and Exchange Commission, acting pursuant to authority conferred upon it by the Securities Exchange Act of 1934, as amended, particularly sections 3 (a) (12), 12, 15 (a), 15A (m) and 23 (a) thereof, and deeming such action necessary for the execution of the functions vested in the Commission and appropriate in the public interest and for the protection of investors, hereby takes the following action:

1. Section 240.15a-3 (Rule X-15A-3) is adopted under the Securities Exchange Act of 1934, to read as follows:

§ 240.14a-3 *Exemption of securities of international banking organizations from section 15 (a).* Securities of any international banking organization are hereby exempted from the operation of section 15 (a) of the Securities Exchange Act of 1934: *Provided,* (a) The United States is a member of such organization pursuant to treaty or statute, (b) The interest of the broker or dealer purchasing or selling such securities is limited to a commission or concession not in excess of the usual and customary distributors' or sellers' commission or concession, and (c) The broker or dealer purchasing or selling such securities makes a bona fide attempt for a reasonable time to distribute such securities, at no more than the public offering price initially specified in the prospectus filed under the Securities Act of 1933, before any part of the securities purchased by such broker or dealer from the issuer or sold by such broker or dealer for the issuer at a commission or concession is retained by such broker or dealer for his own account or sold or offered to a partner, officer, director or employee of such broker or dealer or to any person controlling, controlled by, or under common control with, such broker or dealer or to any account in which such broker or dealer or any such person has a beneficial interest.

2. Section 240.15am-1 (Rule X-15AM-1) is adopted under the Securities Exchange Act of 1934, to read as follows:

§ 240.15am-1 *Exemption of securities of international banking organizations from section 15 (a).* Securities of any international banking organization are hereby exempted from the operation of section 15A of the Securities Exchange Act of 1934: *Provided,* (a) The United States is a member of such organization pursuant to treaty or statute, (b) The interest of the broker or dealer purchasing or selling such securities is limited to a commission or concession not in excess of the usual and customary distributors' or sellers' commission or concession, and (c) The broker or dealer purchasing or selling such securities makes a bona fide attempt for a reasonable time to distribute such securities, at no more than the public offering price initially specified in the prospectus filed under the Securities Act of 1933, before any part of the securities purchased by such broker or dealer from the issuer or sold by such broker or dealer for the issuer at a commission or concession is retained by such broker or dealer for his own account or sold or offered to a partner, officer, director or employee of such broker or dealer or to any person controlling, controlled by, or under common control with, such broker or dealer or to any account in which such broker or dealer or any such person has a beneficial interest.

3. Section 240.12d3-11 (Rule X-12D3-11) is adopted under the Securities Exchange Act of 1934, to read as follows:

§ 240.12d3-11 *Exemption of unissued securities to be issued by international banking organizations.* Securities of any international banking organization are hereby exempted from the operation of the last sentence of section 12 (d) of the Securities Exchange Act of 1934: *Provided,* (a) The United States is a member of such organization pursuant to treaty or statute, and (b) Such unissued security is in process of admission to dealing on the exchange on which it is registered for "when-issued dealing."

(Secs. 3 (a) (12), 12, 15 (a), 48 Stat. 882, 892, 895, 15A (m), 52 Stat. 1070, 23 (a), 48 Stat. 901; 15 U. S. C. 78c, 78l, 78o, 78o-3, 78w)

Effective June 25, 1947.

By the Commission.

ORVAL L. DUBOIS,
Secretary.

JUNE 25, 1947.

[F. R. Doc. 47-6349; Filed, July 8, 1947; 8:55 a. m.]

PART 250—GENERAL RULES AND REGULATIONS, PUBLIC UTILITY HOLDING COMPANY ACT OF 1935

DISCLOSURES CONTRAVENING CODE OF WARTIME PRACTICES

The Securities and Exchange Commission, acting pursuant to the Public Utility Holding Company Act of 1935, particularly section 20 (a) thereof, and deeming such action necessary and appropriate in the public interest and for the protection of investors and necessary and appropriate to carry out the provisions of the foregoing act and for the exercise of the functions vested in the Commission thereunder, hereby repeals § 250.105 (Rule U-105) under the Public Utility Holding Company Act of 1935, which relates to disclosures contravening the Code of Wartime Practices. The Commission finds that this section no longer serves any useful purpose.

(Sec. 20 (a), 49 Stat. 833; 15 U. S. C. 79t)

Effective August 1, 1947.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

JUNE 24, 1947.

[F. R. Doc. 47-6348; Filed, July 8, 1947; 8:54 a. m.]

PART 261—INTERPRETATIVE RELEASES RELATING TO TRUST INDENTURE ACT OF 1939 AND GENERAL RULES AND REGULATIONS THEREUNDER

SECURITIES OF INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

§ 261.37 *Interpretation with reference to the securities of the International Bank for Reconstruction and Development.*

The Securities and Exchange Commission today announced the promulgation of an interpretation under the Trust Indenture Act of 1939, with reference to the securities of the International Bank for Reconstruction and Development. The Bank's request for this action was supported by the National Advisory Council on International Monetary and Financial Problems. The Council was created by the Bretton Woods Agreements Act, pursuant to which the United States became a member of the Bank and the International Monetary Fund. It consists of the Secretary of the Treasury (who is Chairman), the Secretary of State, the Secretary of Commerce, the Chairman of the Board of Governors of the Federal Reserve System, and the Chairman of the Board of Trustees of the Export-Import Bank of Washington. Its statutory purpose is "to coordinate the policies and operations of the representatives of the United States on the Fund and the Bank and of all agencies of the Government which make or participate in making foreign loans or which engage in foreign financial, exchange or monetary transactions."

So far as the Trust Indenture Act of 1939 is concerned, the Commission concurs in the opinion of counsel for the bank that an exemption is available under the statute.

[Trust Indenture Act Release No. 37 dated June 25, 1947]

Effective June 25, 1947.

By the Commission.

ORVAL L. DUBOIS,
Secretary.

JUNE 9, 1947.

[F. R. Doc. 47-6437; Filed, July 8, 1947; 8:55 a. m.]

TITLE 19—CUSTOMS DUTIES

Chapter I—Bureau of Customs, Department of the Treasury

[T. D. 51713]

PART 10—ARTICLES CONDITIONALLY FREE, SUBJECT TO A REDUCED RATE, ETC.

PUBLIC INTERNATIONAL ORGANIZATIONS

Section 10.30a, Customs Regulations of 1943 (11 F. R. 5440), as amended by T. D. 51657 (12 F. R. 2383), is hereby further amended as follows:

Paragraph (a) is amended by deleting the word "and" before "The International Wheat Advisory Committee (International Wheat Council)," by changing the period thereafter to a comma, and by adding the following: "The United Nations Educational, Scientific, and Cultural Organization, The International Civil Aviation Organization, and The International Telecommunication Union."

The first sentence of footnote 33b is amended to read as follows: "Executive Orders Nos. 9698, 9751, 9823, and 9863, dated February 19, 1946, July 11, 1946, January 24, 1947, and May 31, 1947, respectively."

(Secs. 498, 624, 46 Stat. 728, 759, Sec. 3, Public Law 291, 79th Cong.; 19 U. S. C., 1498, 1624, 22 U. S. C., Sup. 288b. E. O. 9698, February 19, 1946, 11 F. R. 1809, E. O. 9751, July 11, 1946, 11 F. R. 7713, E. O. 9823, January 24, 1947, 12 F. R. 551, E. O. 9863, May 31, 1947, 12 F. R. 3559)

[SEAL] FRANK DOW,
Acting Commissioner of Customs.

Approved: July 2, 1947.

A. L. M. WIGGINS,
Acting Secretary of the Treasury.

[F. R. Doc. 47-6368; Filed, July 8, 1947; 9:10 a. m.]

[T. D. 51714]

PART 11—PACKING AND STAMPING; MARKING; TRADE-MARKS AND TRADE NAMES; COPYRIGHTS

SPECIAL MARKING ON CERTAIN ARTICLES

Section 11.9, Customs Regulations of 1943 (19 CFR, Cum. Supp., 11.9), is amended by deleting the words "specified in" wherever they appear in that section and substituting therefor the words "classifiable under."

(Sec. 634, 46 Stat. 759; 19 U. S. C. 1694)

[SEAL] FRANK DOW,
Acting Commissioner of Customs.

Approved: July 2, 1947.

A. L. M. WIGGINS,
Acting Secretary of the Treasury.

[F. R. Doc. 47-6369; Filed, July 8, 1947; 9:10 a. m.]

TITLE 22—FOREIGN RELATIONS

Chapter I—Department of State

[Departmental Reg. 108.47]

PART 44—USE OF ORIGINAL RECORDS OF THE DEPARTMENT OF STATE

Under authority contained in R. S. 161 (5 U. S. C. 22), and pursuant to 27 Stat. 395 (20 U. S. C. 91), 22 CFR Part 44, as amended October 17, 1946 (Departmental Regulations 108.21 and 108.28) (11 F. R. 10107 and 12379) is hereby superseded by the following regulations, under a new part heading, as indicated.

Sec.

44.1 Use of records by officials of the United States Government, except officers of the Department of State.
44.2 Use of records by persons who are not officials of the United States Government.
44.3 Liberal interpretation of regulation.

AUTHORITY: §§ 44.1 to 44.3 inclusive issued under R. S. 161, 27 Stat. 395; 5 U. S. C. 22, 20 U. S. C. 91.

§ 44.1 *Use of records by officials of the United States Government, except officers of the Department of State.* The use of the records of the Department of State by Government officials, exclusive of those processed through liaison channels of the Division of Communications and Records and the Office of Intelligence Collection and Dissemination, will be subject to such conditions as the chiefs of the appropriate policy divisions of the Department, in consulation with the Chief of the Division of Historical Policy Research, may deem it advisable to prescribe.

§ 44.2 *Use of records by persons who are not officials of the United States Government*—(a) *Unpublished files and records of the Department prior to January 1, 1922.* The unpublished files and records of the Department prior to January 1, 1922, are, with certain exceptions, such as records relating to the citizenship of individuals, unsettled claims, and foreign service inspection and personnel records, available for inspection by the general public at the National Archives, subject to its regulations. On January 1, 1948, and each year thereafter until January 1, 1955, this date will be automatically advanced one year. The unpublished files and records of the Department in the period between the open date and January 1, 1933, or such subsequent date as may be fixed by the Department, may be made available for consultation to persons who are not officials of the United States Government, subject to the following conditions:

(1) Files which are in current use in the Department or which cannot be made public without the disclosure of confidences reposed in the Department, or without adversely affecting the public interest, will not be made available to inquirers.

(2) Papers received by the Department from a foreign government which have not been released for publication by that government will not be made available to inquirers without the consent of the government concerned. If there is reason to believe that a foreign government may be willing to permit the use of the papers in question under certain conditions, the permission may, at the discretion of the appropriate officials of the Department, be requested. (If such permission is requested, the expenses of communicating with the foreign government will be met by the person desiring to consult the papers.)

(3) Permission to consult the records of the Department between the open date and January 1, 1933, or such subsequent date as may be fixed by the Department, may be granted, subject to the limitations set forth in the regulations in this part, to such persons as lawyers, publicists, and qualified scholars: *Provided*, That:

(i) The applicants satisfy the Department that they have an important and definite use for the information desired.

(ii) The applicants confine their requests for material to specific subjects or particular papers. The Department is not in a position to assemble large quantities of papers for persons not officials of the United States Government.

(iii) The applicants agree to utilize records made available to them subject to such conditions as the Department may find it necessary to prescribe.

(4) An application from an alien to consult the records of the Department under the regulations in this part, will be considered only if such an application is accompanied by a letter from the head of the embassy or legation at Washington of the country of which the alien is a citizen, subject, or national. Such a letter will show that the applicant is favorably known to the appropriate embassy or legation, and that the mission is familiar with the applicant's work. The Department, however, reserves the right, without prejudice, to refuse permission to consult its original records to any alien applicant.

(5) All applications to consult the records of the Department between the open date and January 1, 1933, or such subsequent date as may be fixed by the Department, will be referred to the Chief of the Division of Historical Policy Research. If the Chief of the Division of Historical Policy Research is of the opinion that the applicant possesses the requisite qualifications as set forth in the regulations in this part, such application will be handled as follows:

(i) Documents or papers previously released or published, and unpublished papers clearly involving no question of policy, intelligence, or security may be made available to qualified applicants by the Chief of the Division of Historical Policy Research without reference to other officials.

(ii) Material or information bearing a security classification originating with another Government agency will not be made available unless specific approval is obtained from the agency of origin.

(iii) In the case of requests for all other material, information, or documents, the Chief of the Division of Historical Policy Research will inform the chief of the policy division charged with the consideration of questions in the field which is the object of research or inquiry of the nature and precise limits of the proposed research and the papers involved.

(iv) If the chief of policy division concerned determines that the applicant will be permitted to use all or part of the papers desired, he will inform the Chief of the Division of Historical Policy Research of the conditions under which the papers may be examined—that is, whether copies may be made of the relevant documents or whether only notes may be taken and whether the copies or notes may be published in whole or in part, or used only for background information; or any other conditions which the chief of policy division may deem it advisable to prescribe. This decision will be final except in cases of unusual importance where the question may be referred to the Under Secretary.

(v) Upon receiving the decision of the chief of the policy division setting forth the conditions deemed advisable and necessary to prescribe, the Chief of the Division of Historical Policy Research will arrange for the applicant to consult the files subject to the conditions decided upon.

(vi) After the applicant has consulted the papers, he will submit to the Chief of the Division of Historical Policy Research all notes, copies of documents, and the like, which he has made. These materials will be examined by the Chief of the Division of Historical Policy Research or submitted to the chief of the policy division, if he so desires.

(vii) After such examination the papers may be transmitted to the applicant by the Chief of the Division of Historical Policy Research or retained at the discretion of the chief of the division concerned.

(b) *Unpublished files or records of the Department of a date later than January 1, 1933, etc.* The unpublished files or records of the Department of a date later than January 1, 1933, or such subsequent date as may be fixed by the Department, may not be made available to persons who are not officials of the United States Government except in circumstances which have been determined to be exceptional in accordance with the principles and procedures set forth below:

(1) A determination to permit access to persons other than officials of the United States Government to the unpublished files and records of the Department during the closed period as defined above may be made only on the grounds that the interests of national policy are served thereby.

(2) Such a determination will be made by a Committee on the Use of Departmental Files, consisting of the Chief of the Division of Historical Policy Research, who shall be Chairman, a representative of the Division of Security and Investigation, and a representative of the offices responsible for the political and/or economic policy involved. The Chief of the Division of Historical Policy Research shall designate an Executive Secretary to serve the Committee.

(3) All requests by persons outside the United States Government for permission to use Departmental files in the closed period must be made in writing, with full justification, to the Chief of the Division of Historical Policy Research who will refer the request to the Committee for decision and transmit the Department's decision to the applicant.

(4) Should the Committee fail to arrive at a unanimous agreement as to the policy or its application to particular cases, the matter will be referred, fully documented, to the Under Secretary for decision.

§ 44.3 *Liberal interpretation of regulation.* It is the policy of the Department that its records be made available to persons not officials of the United States Government as liberally as circumstances permit.

Approved: July 1, 1947.

[SEAL] JOHN E. PEURIFOY,
Assistant Secretary of State.

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TITLE 49—TRANSPORTATION AND RAILROADS

Chapter I—Interstate Commerce Commission

PART 10—STEAM ROADS: UNIFORM SYSTEM OF ACCOUNTS

At a session of the Interstate Commerce Commission, Division 1, held at its office in Washington, D. C., on the 21st day of May A. D. 1947.

The matter of accounting regulations for steam railroads being under consideration pursuant to the provisions of section 20 (3) of the Interstate Commerce Act, as amended; and

It appearing, that such regulations, as they were in force June 1, 1938, were published in the First Edition of the Code of Federal Regulations under this chapter and title, and that certain modifications of the regulations appeared in early supplements to that Code; and,

It further appearing, that by order dated May 1, 1943, said accounting regulations with all amendments and modifications to that date were issued in revised form to be known as the "Uniform System of Accounts for Steam Railroads, Issue of 1943," which revised system of accounts and all subsequent amendments

thereof were filed with the Director of the Division of the Federal Register but were not published in the FEDERAL REGISTER or in the Code of Federal Regulations; and,

It further appearing, that the accounting regulations so prescribed for steam railroads are substantive rules which are required by section 3 (a) (3) of the Administrative Procedure Act to be currently published in the FEDERAL REGISTER, but no general notice of proposed rulemaking as contemplated by section 4 of that act is required because said regulations were prescribed prior to the effective date of such requirement;

Sec.
10.00 Order of the Commission.

INVESTMENT IN ROAD AND EQUIPMENT

10.01 General instructions.
10.01–1 Accounts for investment in road and equipment.
10.01–2 Items to be charged.
10.01–3 Basis of charges.
10.01–4 Cost of construction.
10.01–5 Excavated material.
10.01–6 Items to be credited.
10.01–7 Road property retired.
10.01–9 Equipment retired.
10.01–10 Land retired.
10.01–11 Adjustment for converted property.
10.01–12 Expenses in connection with additions and betterments.
10.01–13 Interpretation of item lists.
10.01–14 Submission of questions.

PROPERTY ACCOUNTS

ROAD

10.0 Road.
10.1 Engineering.
10.2 Land for transportation purposes.
10.2½ Other right-of-way expenditures.
10.3 Grading.
10.5 Tunnels and subways.
10.6 Bridges, trestles, and culverts.
10.7 Elevated structures.
10.8 Ties.
10.9 Rails.
10.10 Other track material.
10.11 Ballast.
10.12 Track laying and surfacing.
10.13 Fences, snowsheds, and signs.
10.16 Station and office buildings.
10.17 Roadway buildings.
10.18 Water stations.
10.19 Fuel stations.
10.20 Shops and enginehouses.
10.21 Grain elevators.
10.22 Storage warehouses.
10.23 Wharves and docks.
10.24 Coal and ore wharves.
10.26 Telegraph and telephone lines.
10.27 Signals and interlockers.
10.29 Power plants.
10.31 Power-transmission systems.
10.35 Miscellaneous structures.
10.37 Roadway machines.
10.38 Roadway small tools.
10.39 Public improvements; construction.
10.40 Revenues and operating expenses during construction.
10.42 Reconstruction of road property acquired.
10.43 Other expenditures; road.
10.44 Shop machinery.
10.45 Power-plant machinery.
10.47 Unapplied construction material and supplies.

EQUIPMENT

10.50 Equipment.
10.51 Steam locomotives.
10.52 Other locomotives.
10.53 Freight-train cars.
10.54 Passenger-train cars.
10.56 Floating equipment.
10.57 Work equipment.
10.58 Miscellaneous equipment.

GENERAL EXPENDITURES

10.70 General expenditures.
10.71 Organization expenses.
10.72 General officers and clerks.
10.73 Law.
10.74 Stationery and printing.
10.75 Taxes.
10.76 Interest during construction.
10.77 Other expenditures; general.

OPERATING REVENUES AND OPERATING EXPENSES

10.02 General instructions.
10.02–1 Operating accounts.
10.02–2 Unaudited items affecting operating accounts.
10.02–3 Delayed items.
10.02–4 Miscellaneous operations.
10.02–5 Submission of questions.

OPERATING REVENUES

10.03 Special instructions.
10.03–1 Accounts for operating revenues.
10.03–2 Interpretation of item lists.
10.03–3 Accruals of revenues.
10.03–5 Delayed items.

REVENUE ACCOUNTS

TRANSPORTATION

10.100 Transportation; rail line.
10.101 Freight.
10.102 Passenger.
10.103 Baggage.
10.104 Sleeping car.
10.105 Parlor and chair car.
10.106 Mail.
10.107 Express.
10.108 Other passenger-train.
10.109 Milk.
10.110 Switching.
10.113 Water transfers; freight.
10.114 Water transfers; passenger.
10.115 Water transfers; vehicles and livestock.
10.116 Water transfers; other.

INCIDENTAL

10.130 Incidental.
10.131 Dining and buffet.
10.132 Hotel and restaurant.
10.133 Station, train, and boat privileges.
10.134 Parcel room.
10.135 Storage; freight.
10.136 Storage; baggage.
10.137 Demurrage.
10.138 Telegraph and telephone.
10.139 Grain elevator.
10.140 Stockyard.
10.141 Power.
10.142 Rents of buildings and other property.
10.143 Miscellaneous.

JOINT FACILITY

10.150 Joint facility.
10.151 Joint facility—Cr.
10.152 Joint facility—Dr.

OPERATING EXPENSES

10.04 Special instructions.
10.04–1 Accounts for operating expenses.
10.04–2 Maintenance expenses.
10.04–3 Cost of repairs.
10.04–4 Royalties on appliances.
10.04–5 Road property retired.
10.04–6 Distribution of charges for nondepreciable road property retired.
10.04–7 Adjustment for converted property.
10.04–8 Depreciation accounting; road property.
10.04–9 Joint facility accounts.
10.04–10 Clearing accounts.
10.04–11 Gravel and sand pits and quarries.
10.04–12 Power plant operations.
10.04–14 Maintaining transmission and distribution systems.
10.04–15 Shop expenses.
10.04–16 Material store expenses.
10.04–17 Stationery store expenses.
10.04–18 Insurance.
10.04–19 Equalization of maintenance expenses.
10.04–20 Accruals of expenses.
10.04–22 Interpretation of item lists.
10.04–23 Delayed items.
10.04–24 Depreciation accounting; equipment.
10.04–25 Deferred maintenance, and major repairs to equipment.

EXPENSE ACCOUNTS

MAINTENANCE OF ROADWAY

10.200 Maintenance of way and structures.
10.201 Superintendence.
10.202 Roadway maintenance.
10.206 Tunnels and subways.
10.208 Bridges, trestles, and culverts.
10.210 Elevated structures.
10.212 Ties.
10.214 Rails.
10.216 Other track material.
10.218 Ballast.
10.220 Track laying and surfacing.
10.221 Fences, snowsheds, and signs.
10.227 Station and office buildings.
10.229 Roadway buildings.
10.231 Water stations.
10.233 Fuel stations.
10.235 Shops and enginehouses.
10.237 Grain elevators.
10.239 Storage warehouses.
10.241 Wharves and docks.
10.243 Coal and ore wharves.
10.247 Telegraph and telephone lines.
10.249 Signals and interlockers.
10.253 Power plants.
10.257 Power-transmission systems.
10.265 Miscellaneous structures.
10.266 Road property; depreciations.
10.267 Retirements; road.
10.268 Deferred maintenance; way and structures.
10.269 Roadway machines.
10.270 Dismantling retired road property.
10.270½ Road; amortization of defense projects.
10.271 Small tools and supplies.
10.272 Removing snow, ice, and sand.
10.273 Public improvements; maintenance.
10.274 Injuries to persons.
10.275 Insurance.
10.276 Stationery and printing.
10.277 Other expenses.
10.278 Maintaining joint tracks, yards, and other facilities—Dr.
10.279 Maintaining joint tracks, yards, and other facilities—Cr.
10.280 Equalization; way and structures.
10.281 Right-of-way expenses.

MAINTENANCE OF EQUIPMENT

10.300 Maintenance of equipment.
10.301 Superintendence.
10.302 Shop machinery.
10.304 Power-plant machinery.
10.305 Shop and power-plant machinery; depreciation.
10.306 Dismantling retired shop and power-plant machinery.
10.308 Steam locomotive; repairs.
10.311 Other locomotives; repairs.
10.314 Freight-train cars; repairs.
10.317 Passenger-train cars; repairs.
10.323 Floating equipment; repairs.

Sec.
10.326 Work equipment; repairs.
10.328 Miscellaneous equipment; repairs.
10.329 Dismantling retired equipment.
10.330 Retirements; equipment.
10.331 Equipment; depreciation.
10.331½ Equipment; amortization of defense projects.
10.332 Injuries to persons.
10.333 Insurance.
10.334 Stationery and printing.
10.335 Other expenses.
10.336 Joint maintenance of equipment expenses—Dr.
10.337 Joint maintenance of equipment expenses—Cr.
10.338 Equalization; equipment.
10.339 Deferred maintenance; equipment.
10.340 Major repairs; equipment.

TRAFFIC

10.350 Traffic.
10.351 Superintendence.
10.352 Outside agencies.
10.353 Advertising.
10.354 Traffic associations.
10.355 Fast freight lines.
10.356 Industrial and immigration bureaus.
10.357 Insurance.
10.358 Stationery and printing.
10.359 Other expenses.

TRANSPORTATION

10.370 Transportation; rail line.
10.371 Superintendence.
10.372 Dispatching trains.
10.373 Station employees.
10.374 Weighing, inspection, and demurrage bureaus.
10.375 Coal and ore wharves.
10.376 Station supplies and expenses.
10.377 Yardmasters and yard clerks.
10.378 Yard conductors and brakemen.
10.379 Yard switch and signal tenders.
10.380 Yard enginemen.
10.381 Yard motormen.
10.382 Yard switching fuel.
10.383 Yard switching power produced.
10.384 Yard switching power purchased.
10.385 Water for yard locomotives.
10.386 Lubricants for yard locomotives.
10.387 Other supplies for yard locomotives.
10.388 Enginehouse expenses; yard.
10.389 Yard supplies and expenses.
10.390 Operating joint yards and terminals—Dr.
10.391 Operating joint yards and terminals—Cr.
10.392 Train enginemen.
10.393 Train motormen.
10.394 Train fuel.
10.395 Train power produced.
10.396 Train power purchased.
10.397 Water for train locomotives.
10.398 Lubricants for train locomotives.
10.399 Other supplies for train locomotives.
10.400 Enginehouse expenses; train.
10.401 Trainmen.
10.402 Train supplies and expenses.
10.403 Operating sleeping cars.
10.404 Signal and interlocker operation.
10.405 Crossing protection.
10.406 Drawbridge operation.
10.407 Telegraph and telephone operation.
10.408 Operating floating equipment.
10.409 Express service.
10.410 Stationery and printing.
10.411 Other expenses.
10.412 Operating joint tracks and facilities—Dr.
10.413 Operating joint tracks and facilities—Cr.
10.414 Insurance.
10.415 Clearing wrecks.
10.416 Damage to property.
10.417 Damage to livestock on right-of-way.
10.418 Loss and damage; freight.
10.419 Loss and damage; baggage.
10.420 Injuries to persons.

MISCELLANEOUS OPERATIONS

10.440 Miscellaneous operations.
10.441 Dining and buffet service.
10.442 Hotels and restaurants.
10.443 Grain elevators.
10.444 Stockyards.
10.445 Producing power sold.
10.446 Other miscellaneous operations.

GENERAL

10.450 General.
10.451 Salaries and expenses of general officers.
10.452 Salaries and expenses of clerks and attendants.
10.453 General office supplies and expenses.
10.454 Law expenses.
10.455 Insurance.
10.456 Relief department expenses.
10.457 Pensions.
10.458 Stationery and printing.
10.459 Valuation expenses.
10.460 Other expenses.
10.461 General joint facilities—Dr.
10.462 General joint facilities—Cr.

CONDENSED CLASSIFICATION OF OPERATING EXPENSES

10.480 Accounts for small carriers, Class II.
10.490 Accounts for small carriers, Class III.

INCOME, PROFIT AND LOSS, AND GENERAL BALANCE SHEET

10.05 General instructions.
10.05–1 General ledger accounts.
10.05–2 Leased road and equipment; depreciation.
10.05–3 Closing general ledger.

INCOME

10.06 Special instructions.
10.06–1 Income accounts defined.
10.06–2 Delayed items.
10.06–3 Unaudited items.

INCOME ACCOUNTS

CREDIT

10.501 Railway operating revenues.
10.502 Revenues from miscellaneous operations.
10.503 Hire of freight cars; credit balance.
10.504 Rent from locomotives.
10.505 Rent from passenger-train cars.
10.506 Rent from floating equipment.
10.507 Rent from work equipment.
10.508 Joint facility rent income.
10.509 Income from lease of road and equipment.
10.510 Miscellaneous rent income.
10.511 Miscellaneous nonoperating physical property.
10.512 Separately operated properties; profit.
10.513 Dividend income.
10.514 Income from funded securities.
10.515 Income from unfunded securities and accounts.
10.516 Income from sinking and other reserve funds.
10.517 Release of premiums on funded debt.
10.518 Contributions from other companies.
10.519 Miscellaneous income.
10.520 Delayed income credits.

DEBIT

10.531 Railway operating expenses.
10.532 Railway tax accruals.
10.534 Expenses of miscellaneous operations.
10.535 Taxes on miscellaneous operating property.
10.536 Hire of freight cars; debit balance.
10.537 Rent for locomotives.
10.538 Rent for passenger-train cars.
10.539 Rent for floating equipment.
10.540 Rent for work equipment.
10.541 Joint facility rents.
10.542 Rent for leased roads and equipment.
10.543 Miscellaneous rents.
10.544 Miscellaneous tax accruals.
10.545 Separately operated properties; loss.
10.546 Interest on funded debt.
10.547 Interest on unfunded debt.
10.548 Amortization of discount on funded debt.
10.549 Maintenance of investment organization.
10.550 Income transferred to other companies.
10.551 Miscellaneous income charges.
10.552 Income applied to sinking and other reserve funds.
10.553 Dividend appropriations of income.
10.554 Income appropriated for investment in physical property.
10.555 Stock discount extinguished through income.
10.556 Miscellaneous appropriations of income.
10.557 Delayed income debits.
10.560 Form of income statement.

PROFIT AND LOSS

10.07 Special instructions.

PROFIT AND LOSS ACCOUNTS

CREDIT

10.601 Credit balance (at beginning of calendar year).
10.602 Credit balance transferred from income.
10.607 Miscellaneous credits.

DEBITS

10.611 Debit balance (at beginning of calendar year).
10.612 Debit balance transferred from income.
10.613 Surplus applied to sinking and other reserve funds.
10.614 Dividend appropriations of surplus.
10.615 Surplus appropriated for investment in physical property.
10.616 Stock discount extinguished through surplus.
10.618 Miscellaneous appropriations of surplus.
10.621 Miscellaneous debits.

GENERAL BALANCE SHEET

10.08 Special instructions.
10.08–1 Balance-sheet accounts.
10.08–2 Discount, premium, and assessment on capital stock.
10.08–3 Discount, expense, and premium on funded debt.
10.08–4 Contingent assets and liabilities.
10.08–5 Book value of securities owned.
10.08–6 Income from sinking fund assets.
10.08–7 Current assets.
10.08–8 Joint liabilities.
10.08–9 Surplus.

GENERAL BALANCE SHEET ACCOUNTS

DEBIT

10.701 Road and equipment property.
10.702 Improvements on leased property.

Sec.
10.702½A Acquisition adjustment.
10.702½B Donations and grants.
10.702½C Accrued depreciation; road.
10.702½D Accrued depreciation; equipment.
10.702½E Accrued amortization of defense projects; road.
10.702½F Accrued amortization of defense projects; equipment.
10.703 Sinking funds.
10.704 Capital and other reserve funds.
10.704½ Maintenance funds.
10.705 Miscellaneous physical property.
10.705½ Accrued depreciation; miscellaneous physical property.
10.706 Investments in affiliated companies.
10.707 Other investments.
10.707½ Reserve for adjustment of investment in securities.
10.708 Cash.
10.709 Temporary cash investments.
10.711 Special deposits.
10.712 Loans and bills receivable.
10.713 Traffic and car-service balances—Dr.
10.714 Net balance receivable from agents and conductors.
10.715 Miscellaneous accounts receivable.
10.716 Material and supplies.
10.717 Interest and dividends receivable.
10.718 Accrued rents receivable.
10.719 Other current assets.
10.720 Working fund advances.
10.721 Insurance and other funds.
10.722 Other deferred assets.
10.723 Prepayments.
10.725 Discount on funded debt.
10.726 Property retired chargeable to operating expenses.
10.727 Other unadjusted debits.
10.728 Securities issued or assumed; unpledged.
10.729 Securities issued or assumed, pledged.

CREDIT

10.751 Capital stock.
10.752 Stock liability for conversion.
10.753 Premiums and assessments on capital stock.
10.754 Discount on capital stock.
10.755 Funded debt unmatured.
10.755½ Debt in default.
10.756 Receivers' and trustees' securities.
10.756½ Equipment obligations.
10.757 Amounts payable to affiliated companies.
10.758 Loans and bills payable.
10.759 Traffic and car-service balances—Cr.
10.760 Audited accounts and wages payable.
10.761 Miscellaneous accounts payable.
10.762 Interest matured unpaid.
10.763 Dividends matured unpaid.
10.764 Unmatured interest accrued.
10.765 Unmatured dividends declared.
10.766 Accrued accounts payable.
10.767 Taxes accrued.
10.768 Other current liabilities.
10.769 Liability for provident funds.
10.769½ Interest in default.
10.770 Other deferred liabilities.
10.772 Premium on funded debt.
10.773 Insurance reserves.
10.773½ Equalization reserves.
10.774 Maintenance reserves.
10.778 Other unadjusted credits.
10.779 Accrued depreciation; leased property.
10.784 Unearned surplus.
10.784–1 Paid-in surplus.
10.784–2 Other unearned surplus.
10.785 Earned surplus; appropriated.
10.786 Earned surplus; unappropriated.
10.790 Form of general balance-sheet statement.

AUTHORITY: §§ 10.00 to 10.790, inclusive, issued under 24 Stat. 386, 54 Stat. 917, 49 U. S. C. 20 (3).

SPECIAL NOTE: In the regulations under Part 10 of this chapter the numbers assigned to sections thereof include as a whole number, following the decimal point, the number of the prescribed account. Where references throughout the regulations are to an account, as such, only the account number portion of the section number is used. For example: Account 101, "Freight," may be mentioned in the instructions or in the text of another account, and will be found as § 10.101 under operating revenues. Sections devoted to instructions, as distinguished from the texts of the prescribed accounts, are numbered serially § 10.01 to § 10.08, inclusive, with appropriate sub-numbers following a dash.

§ 10.00 *Order of the Commission.* It is ordered, that: The "Uniform System of Accounts for Steam Railroads, Issue of 1943," as modified and amended prior to January 1, 1947, together with a copy of this order, shall be filed with the Director of the Division of the Federal Register for publication in the FEDERAL REGISTER, and that a copy of this order be deposited in the office of the Secretary of the Commission at Washington, D. C.

INVESTMENT IN ROAD AND EQUIPMENT

§ 10.01 *General instructions.* The carrier's records shall be kept with sufficient particularity to show fully the facts pertaining to all entries made in the accounts provided herein for investment in road and equipment. Where the full information is not recorded in the general books, the entries therein shall be supported by other records in which the full details shall be shown. Such general book entries shall contain sufficient reference to the detail records to permit ready identification, and the detail records shall be filed in such manner as to be readily accessible for examination by representatives of the Interstate Commerce Commission.

§ 10.01–1 *Accounts for investment in road and equipment.* The accounts prescribed in this classification, except in connection with the acquisition of transportation property as provided in accounts 702½A, "Acquisition adjustment," and 702½B, "Donations and grants," are designed to show the investment of the carrier in property devoted to transportation service. The carrier's investment in physical property other than transportation property is provided for in balance-sheet account 705, "Miscellaneous physical property." "The carrier" means the accounting carrier, except when otherwise specifically indicated. The carrier's record shall be kept in such form that expenditures for additions and betterments may be reported separately from those for original road, original equipment, and road extensions, and shall show separately the expenditures under each authorized addition and betterment project. (See balance-sheet account 701, "Road and equipment property," and 702, "Improvements on leased property.") When a building or structure is used primarily for transportation purposes it is not contemplated that parts of such buildings or structures rented to others will be carried in account 705; nor is it contemplated that irregular parcels of land acquired in connection with acquisition of right-of-way which have no value as commercial property shall be transferred to account 705, either for the purpose of making right-of-way boundaries run more or less regular or for the purpose of eliminating from account 701 the cost of unoccupied lands between tracks in yards and terminals.

§ 10.01–2 *Items to be charged.* To these accounts shall be charged the cost of original road, original equipment, road extensions, additions, and betterments; also the estimated values at time of acquisition of right of way and other road and equipment property donated to the carrier, except that unless authorized by the Commission no charges shall be made to these accounts after July 1, 1914, for donations received previously to that date. Applications to the Commission for including such items in the road and equipment accounts shall contain full information concerning the source and character of the donations.

(a) When the property change involves: (1) The acquisition of units and minor items of road property (other than land or tracks) such as defined in paragraphs (e) and (c) of § 10.01–7 *Road property retired* the cost of which is less than $500.00; (2) the betterment of road property (see "Betterments" under paragraph (c) of this section), the betterment cost of which is less than $500.00, the cost of the units and minor items of road property acquired under (1) and betterment costs under (2) shall be charged to operating expenses.

The retirement of units and minor items of road property shall be accounted for in accordance with § 10.01–7 *Road property retired.*

(b) The carrier shall not parcel expenditures or retirements under a general plan for the purpose of bringing the accounting therefor within this rule, neither shall it combine unrelated items of property for the purpose of excluding the accounting therefor from the rule.

(c) The carrier is permitted to adopt for the purpose of its accounting a limit of less than the aforesaid amounts provided it first files with the Commission the maximum amount which it proposes to adopt and makes no subsequent change in this amount except by authority of the Commission, except that when the carrier adopts a limit of less than $500 in reporting property changes to the Bureau of Valuation for valuation purposes it shall adopt a like minimum for accounting purposes in order to coordinate the original cost with the physical property included in the inventory.

"Construction" includes all processes connected with the acquisition and construction of original road and equipment, road extensions, additions, and betterments.

"Original road" means the land and road property provided and arranged for in the original plan for the construction of a new road. When the acquisition of any road property under the original plan

is deferred, such property when acquired, shall be considered an addition. Original road shall not include road property which, under the original plans for the road, it is proposed to substitute at some time subsequent to the beginning of commercial operations, for the property originally installed and used for transportation operations, such as steel bridges substituted for trestles.

"Original equipment" means equipment provided and arranged for under the original plan for the construction of a new road. When the acquisition of such equipment under the original plan is deferred, such equipment, when acquired, shall be considered as additions.

"Road extensions" means the land and road property provided and arranged for in the original plan for the construction of extensions of existing main lines, additional branch lines, and extensions of existing branch lines. When the acquisition of any road property under the original plan is deferred, such property, when acquired, shall be treated as an addition. Road extensions shall not include road property which, under the original plan for the extensions, it is proposed to substitute, at some time subsequent to the beginning of commercial operations for the property originally installed and used for transportation in connection with the commercial operations, such as steel bridges substituted for trestles.

"Equipment" means the rolling stock, boats, highway vehicles, horses, and harness devoted to transportation service, the cost of which is includible in the equipment accounts.

"Road property" means transportation property other than equipment.

"Additions" are additional facilities, such as additional equipment, tracks (including timber and mine tracks), buildings, bridges, and other structures; additions to such facilities, such as extensions to tracks, buildings, and other structures; additional ties laid in existing tracks; and additional devices applied to facilities, such as air brakes applied to cars not previously thus equipped. When a unit of property is retired from service and replaced with property of like purpose, the newly acquired property shall, for the purpose of this classification, be considered as an addition, and the cost thereof accounted for accordingly. (See § 10.01–7 *Road property retired.*)

"Betterments" are improvements of parts (minor items) of existing facilities through the substitution of superior parts for inferior parts replaced. The cost chargeable to the accounts of this classification is the excess cost of new parts over the cost at current prices of new parts of the kind replaced.

"Cost" shall be actual money costs to the carrier. Where a portion of the funds expended by or for the carrier has been obtained by grants from governmental agencies, or by donations from individuals or others, the accounting shall be in accordance with paragraphs (a), (b), or (c) of this section as may be applicable.

(a) *Donations from individuals or others.* The entire cost of constructing transportation property to which the carrier acquires exclusive title and exclusive right of use shall be included in these accounts without deduction on account of contributions received from others. The money value of donations shall be credited to account 702½B, "Donations and grants."

NOTE. Amounts billed against a lessee company for a proportion of the cost of constructing facilities under a contract which covers the joint use of such facilities but does not transfer title, shall be credited by the owning company to account 508, "Joint facility rent income," and charged by the lessee to account 541, "Joint facility rents." The entire cost of the facilities shall be charged by the owning company to the appropriate accounts of this classification.

(b) *Joint projects.* Contributions by governmental agencies, or individuals toward construction of projects involving joint use of facilities by the carrier and others after completion of the project shall not be considered donations and only the cost borne by the carrier in connection with the construction of these projects shall be included in these accounts. In accounting for the cost to the carrier of projects involving joint use of facilities by the carrier and others, such costs shall be first applied to the cost of construction of railway facilities includible in accounts other than 2½, "Other right-of-way expenditures," or 39, "Public improvements—Construction," any remaining balance to be included in account 2½, or account 39, as appropriate.

Illustrations of joint projects referred to are:

(1) Jointly owned tracks, interlockers, etc.;

(2) Construction or widening of highways, spillways, drainage canals, farm and other private passes, pipe lines, drains, and other facilities across the carrier's right of way;

(3) Construction of overhead or undergrade crossings;

(4) Installation of warning signals to protect highway traffic.

(c) *Public improvement projects other than joint projects.* In connection with public improvement projects which do not involve joint use by the carrier and others of the facilities after completion of the projects such as reconstruction and relocation of tracks and appurtenant facilities at the expense of governmental agencies, the ledger value of the property retired shall be credited and the cost of constructing the new property shall be charged to the appropriate accounts of this classification. The sum contributed by the governmental agencies unless contract specifies otherwise shall be applied first to reduce or cancel the amount that otherwise would be charged to operating expenses or depreciation reserve in accounting for the retirements, and the remainder, if any, representing cost of railroad property only, shall be credited to account 702½B, "Donations and grants." The projects here referred to are those such as occur in connection with the carrying out of flood control, reclamation and other public projects where it becomes necessary to abandon a part of the line of road and relocate it.

§ 10.01–3 *Basis of charges.* The charges to the accounts of this classification shall be based upon the cost of the property acquired. When the consideration given for the purchase or the improvement of property the cost of which is chargeable to the accounts of this classification is other than money, the money value of the consideration at the time of the transaction shall be charged to these accounts, and the actual consideration shall be described in the record in sufficient detail to identify it. The carrier shall be prepared to furnish the Commission, upon demand, the particulars of its determination of the actual cash value of the consideration, if other than money.

§ 10.01–4 *Cost of construction.* It is intended that the accounts for road property and equipment shall include the cost of construction of such property. The cost of construction shall include the cost of labor, materials and supplies, work-train service, special machine service, transportation, contract work, protection from casualties, injuries and damages, privileges, and other analogous elements in connection with such work. The several items of cost here referred to are defined as follows:

(a) "Cost of labor" includes the amount paid for labor expended by the carrier's own employees, including the cost of labor expended for preliminary work, such as sinking test holes or making soundings for tunnels, grading, buildings, and other structures; and cost of labor expended in laying and taking up tracks for temporary use in construction, except the cost of labor expended on tracks provided for the protection of traffic during the progress of addition and betterment work. Office expenses and traveling and other personal expenses of employees, when borne by the carrier, shall be considered a part of the cost of the labor, as shall also the cost of fidelity bonds and employers' liability insurance premiums. When officers or employees are specially assigned to construction work, their pay and their traveling and incidental expenses while thus engaged shall be included in the cost of the work. No charge shall be made against road and equipment accounts for the pay of officers and employees who merely render services incidentally in connection with extensions, additions, or betterments, although traveling and incidental expenses incurred by such officers and employees solely on account of such work shall be included in the account to which the cost of the work is chargeable.

(b) "Cost of materials and supplies" includes the purchase price of materials and supplies, including small tools, at the point of free delivery, plus the cost of inspection and loading assumed by the carrier; also a suitable proportion of store expenses. (See § 10.04–16 *Material store expenses* and § 10.04–17 *Stationery store expenses.*) In calculating the cost of materials used, proper allowance shall be made for the value of unused portions and of cuttings, turnings, borings, etc.; for the value of the material recovered from temporary tracks, scaffolding,

cofferdams, and other temporary structures used in construction; and for the value of small tools recovered and used for other purposes.

(c) "Cost of work-train service" includes amounts paid to others for rent and maintenance of equipment used; cost of labor of enginemen, trainmen, and enginehousemen, including wages of engine crews and train crews held in readiness for such service; and cost of fuel and other supplies consumed in connection with the operation of work trains. It shall also include the cost of maintaining the carrier's own equipment used in construction service. However, no rent or return upon the investment in such equipment shall be included as a part of the cost of work-train service.

(d) "Cost of special machine service" includes the cost of labor expended and of materials and supplies consumed in maintaining and operating steam shovels, scrapers, rail unloaders, ballast unloaders, pile drivers, dredges, ditchers, weed burners, and other labor-saving machines; also rents paid for use of such machines. (See Note A under account 37, "Roadway machines," and tenth paragraph of general account 50, "Equipment.")

(e) "Cost of transportation" includes the amounts paid to other companies or individuals for the transportation of men, materials and supplies, special machine outfits, appliances, and tools in connection with construction. Freight charges paid foreign lines for the transportation of construction material to the carrier's line shall be included, so far as practicable, as a part of the cost of the material.

(f) "Cost of contract work" includes amounts paid for work performed under contract by other companies, firms, or individuals, and costs incident to the award of the contract.

(g) "Cost of protection from casualties" includes expenditures for protection against fire, such as payments for discovery or extinguishment of fires, cost of detecting and prosecuting incendiaries, witness fees in relation thereto, amounts paid to municipal corporations and others for fire protection, and other analogous items of expenditure in connection with construction work.

(h) "Cost of injuries and damages" includes expenditures on account of injuries to persons or damage to property when incident to construction projects, and shall be included in the cost of the work in connection with which the injury or damage occurs. It also includes that portion of premiums paid for insuring property applicable to the period prior to the completion or coming into service of the property insured. Insurance recovered on account of compensation paid for injuries to persons incident to construction shall be credited to the accounts to which such compensation is charged, and insurance recovered on account of damages to property incident to construction shall be credited to the accounts chargeable with the expenditures necessary for restoring the damaged property. The cost of injuries and damages incident to the removal of old structures, or parts thereof, shall be charged to operating expenses, except that such costs in connection with the removal of old structures which are incumbrances on newly acquired lands shall be included in account 2, "Land for transportation purposes," or 3, "Grading," as many be appropriate. (See § 10.01–7 *Road property retired.*)

(i) "Cost of privileges" includes compensation for temporary privileges, such as the use of public property or streets, in connection with the construction of the property of the carrier.

§ 10.01–5 *Excavated material.* The cost of disposing of material excavated in connection with construction shall be considered as a part of the cost of the work, except that when such material is used for filling, the cost of removal and dumping shall be equitably apportioned between the work in connection with which the removal occurs and the work in connection with which the material is used.

§ 10.01–6 *Items to be credited.* To these accounts shall be credited the ledger value of property retired.

"Ledger value of property" is the value at which the property is carried in the property investment account in the general ledger of the carrier. In case the value of any item of property is not shown separately in the ledger the ledger value of that item shall be its proportionate share of the value of the entire group in which the particular property is included.

"Property retired" means a unit of property whether replaced or not and a minor item not replaced, which is sold, abandoned, demolished, dismantled, or otherwise withdrawn from transportation service.

§ 10.01–7 *Road property retired.* (a) When a unit of road property, other than land, is retired from service, or a minor item is retired and not replaced, the ledger value of the unit or minor item shall be credited to the appropriate road accounts of this classification at the time of retirement from service. The amount of this credit shall be charged concurrently as follows:

(1) *For depreciable property.* The service value (ledger value less value of salvage) shall be charged, and insurance recovered, if any, shall be credited to account 702½C, "Accrued depreciation—Road." The charge for the salvage shall be in accordance with the disposition of the material recovered. The cost of dismantling or demolishing the property, if borne by the carrier, shall be charged to account 270, "Dismantling retired road property," or account 306, "Dismantling retired shop and power plant machinery," as may be appropriate.

NOTE: When property included in the depreciable accounts but excluded from the depreciation base is retired, the service value (including engineering expenditures assignable to the retired property but not included in the depreciation base) shall be charged to operating expenses.

(2) *For nondepreciable property.* The service value (ledger value less value of salvage) shall be charged to account 267, "Retirements-Road." The cost of dismantling or demolishing the property, if borne by the carrier, shall be charged to account 270, "Dismantling retired road property." The charge for the salvage shall be in accordance with the disposition of the material recovered.

An equitable proportion of any balances carried in accounts 72 to 77, inclusive, applicable to the road property retired, shall be credited thereto concurrently and charged to account 267, "Retirements-Road."

NOTE: For parts (minor items) of road property retired and replaced for both depreciable and nondepreciable accounts the cost of replacement including cost of removal, shall be charged to the accounts in operating expenses appropriate for the cost of repairing such property.

(b) The term "service value" as applied to road property means the ledger value thereof less the value of the salvage recovered therefrom.

(c) The term "minor item" as applied to road property means the associated parts of which units of road property are composed.

(d) The term "value of salvage" means the amount received for property retired, or for the material salvaged therefrom if sold; or if retained, the value at which the property or the material salvaged therefrom is chargeable to account 716, "Material and supplies," or other accounts of this system of accounts. When such material is retained and again used by the carrier, the value shall be determined by deducting a fair allowance for depreciation from current prices of the material as new. If the retired property is held without being torn down the estimated value of the salvage therefrom shall be included in account 722, "Other deferred assets," until the salvage is recovered.

(e) The term "unit of road property" means any structure or item of property that is physically distinct or separate, or any substantial part of a composite or continuous structure (except tracks) such as a bridge, a trestle, a snowshed, or right-of-way fence, the original cost of which can be readily ascertained with reasonable accuracy. With respect to buildings it means the entire structure including component parts. The foregoing is intended as a guide in determining what is a unit of road property and should be regarded as representative only.

(f) *Leased property.* When a unit of road property used but not owned, other than land, the rent for which is includible in account 542, "Rent for leased roads and equipment," is retired from service, or a minor item is retired and not replaced, the service value of nondepreciable property shall be charged to account 267, "Retirements—Road," by the lessee and the service value of depreciable property shall be charged to the depreciation reserve account by either the lessee or lessor, as appropriate. If under terms of the lease the lessor is obligated to reimburse the lessee for additions and betterments and is credited with the ledger value of retired

property, the lessor shall credit the ledger value of the retired property to account 701, "Road and equipment property." If under terms of the lease the lessee bears the cost of additions and betterments without reimbursement and is not obligated to reimburse the lessor for the ledger value of retired property, the lessee shall credit the ledger value to account 702, "Improvements on leased property." The salvage shall be accounted for by the company that has title thereto and charged in accordance with the disposition of the material recovered.

When the lessee makes settlement with the lessor currently for retirements of property leased, the lessee shall credit to account 706, "Investments in affiliated companies," or 707, "Other investments," as applicable, the service value of nondepreciable property charged to account 267, "Retirements—Road," and the lessor shall make corresponding charge to account 757, "Amounts payable to affiliated companies," or other liability accounts, as may be appropriate.

The lessee shall furnish the lessor such information as is required to perform the necessary accounting.

§ 10.01–9 *Equipment retired.* The instructions for accounting for equipment retired are contained in the text of general account 50, "Equipment."

§ 10.01–10 *Land retired.* When any land, the cost of which is included in the accounts of this classification, is retired, the ledger value shall be credited to account 2, "Land for transportation purposes." If the land is retained by the carrier, its estimated value shall be charged to balance-sheet account 705, "Miscellaneous physical property," the necessary adjustment of the difference between the ledger value and the estimated value on acount of the loss in the property due to its retirement from transportation service shall be made through account 621, "Miscellaneous debits". If sold, the difference between the ledger value credited to account 2 and the amount received for the land shall be adjusted through accounts 607, "Miscellaneous credits," or 621, "Miscellaneous debits," as appropriate.

§ 10.01–11 *Adjustment for converted property.* If a unit of equipment by its transfer from one class of service to another, with or without physical conversion, becomes includible in a primary investment account other than that in which it has been carried, it shall be accounted for as retired. (See the text of general account 50, "Equipment.")

In accounting for the retirement of such a unit the retirement accounting should be on a basis consistent with the accounting which would be proper if the carrier were to make no further use of it, as in the case of demolition or sale. Following this principle, the salvage value to be used in arriving at the service value shall be the ledger value of the unit less an allowance to reflect consumed, expired or lost usefulness and in no case shall it be less than the estimated value of the scrap and reusable parts which would be recovered if the unit were dismantled. In arriving at this salvage value, the amount which would have been paid, had the old unit in its second-hand condition been purchased from another company, and the further use which it is contemplated will be made of the unit after conversion, are factors to be given consideration.

In accounting for the unit as converted, its ledger value shall be the estimated salvage value used in the retirement accounting less any salvage recovered and not used in the conversion process plus all expenditures for labor and material necessary to fit the unit for its future use, but not in excess of the cost (at current market prices of labor and material) of a new unit of equal capacity and equal expectation of life in service, less a suitable allowance on account of the second-hand portions remaining therein.

NOTE: The procedure outlined in the foregoing with regard to the transfer to equipment from one class of service to another shall be followed in accounting for fixed property when by its transfer from one class of service to another it becomes includible in a primary investment account other than that in which it has been carried.

§ 10.01–12 *Expenses in connection with additions and betterments.* The cost of removing old material from equipment and from buildings, bridges, wharves, tracks, and other fixed improvements, shall be charged to the appropriate operating expense accounts. Such charges shall include the cost of removing old foundations and filling old excavations, and restoring condition of grounds after addition and betterment work; and maintaining or protecting traffic during the progress of addition and betterment work, including the cost of constructing, maintaining, and removing temporary tracks required for maintaining traffic during the progress of the work.

§ 10.01–13 *Interpretation of item lists.* Lists of "items," "details," etc., have been given as a part of this classification for the purpose of clearly indicating the application of the accounting rules in specific cases. The lists in every case are to be considered as merely representative, and not as excluding from any account analogous items which happen to be omitted from the list appended. On the other hand, the appearance of an item in a list warrants the inclusion of the item in the account concerned only when the text of the account also indicates inclusion, inasmuch as the same item frequently appears in more than one list. The item of boilers, for example, will be found under accounts 18, 27, 37, 44, and 45, and the proper charge in any one instance must be determined by the text of the account.

§ 10.01–14 *Submission of questions.* To the end that uniformity of accounting may be maintained from year to year, carriers shall submit all questions of doubtful interpretation of the accounting rules to the Commission for consideration and decision.

PROPERTY ACCOUNTS

ROAD

§ 10.0 *Road.* The several primary accounts included in this general account are designed to show the cost of land and road property owned by the carrier and devoted to transportation service.

§ 10.1 *Engineering.* This account shall include the pay and expenses of engineers, assistants, and clerks engaged in the survey and construction of new lines and extensions, or in making additions to and betterments of the carrier's road, including wharves and docks.

LIST OF OFFICERS AND EMPLOYEES

Chief engineer.
Assistant engineers.
Bridge engineer.
Signal engineer.
Architects.
Chief clerk.
Draftsmen.
Clerks.
Transitmen.
Levelmen.
Rodmen.
Chainmen.
Axmen.
Messengers.
Cooks on business cars.
Porters on business cars.

ITEMS OF EXPENSE AND SUPPLIES

Atlases and maps.
Axes.
Barometers.
Books for office use.
Boxes for materials and instruments.
Business car service.
Cameras.
Camp equipage.
Chains for surveyors.
Compasses.
Curves.
Drawing boards.
Drawing instruments.
Field glasses.
Field notebooks.
Furniture repairs and renewals.
Hatchets.
Heating and lighting.
Levels.
Magnets.
Magnifiers.
Marking chalk.
Official train service.
Oilstones.
Paper, blue-print.
Parallel rules.
Periodicals and newspapers.
Photographic supplies.
Plane tables.
Planimeters.
Plummets.
Printing and stationery.
Protractors.
Provisions for business cars.
Ranging poles.
Reading glasses.
Rent of offices.
Repairs of rented offices.
Rods for surveyors.
Scales.
Section liners.
Sextants.
Slide rules.
Stakes.
Straightedges.
Tally registers.
Tape lines.
Tee-squares.
Telegraph service.
Telephone service.
Telescopes.
Thermometers.
Thumb tacks.
Tracing linen.
Transits.
Traveling expenses.
Traverse tables.
Triangles.
Tripods.
Verniers.
Water and ice.

NOTE A: When employers designated above are engaged in the maintenance of the road, their pay and expenses while thus employed shall be charged to operating expenses.

NOTE B: Expenditures for tentative or preliminary surveys shall be carried in a suspense account until it is determined whether or not to continue the work. If the project is continued, expenditures for all surveys in connection therewith shall then be transferred to this account, and, if abandoned, to operating expenses, income, or profit and loss, as may be appropriate.

NOTE C: The cost of designing, making plans and specifications, and supervising the construction of equipment shall be included in the cost of the equipment.

NOTE D: The cost of stationery and printing supplies used for accounting purposes in connection with engineering work shall be included in account 74, "Stationery and printing," when not directly assignable to specific road or equipment accounts.

NOTE E: Fees and expenses of architects specially employed for designing or supervising the construction of buildings shall be included in the accounts appropriate for the cost of the buildings constructed.

§ 10.2 *Land for transportation purposes.* This account shall include the cost

of land of necessary width acquired for roadway; the cost of land for station, office, shop, and other grounds; for ingress to or egress from such grounds; for borrow pits, waste banks, snow fences, sand fences, and other railway appurtenances; and for storage of material adjoining the right of way; the cost of land for wharves and docks and the cost of riparian or water rights necessary therefor; the cost of removing from the right of way and locating elsewhere the property of others, and the cost of the necessary land for relocation of the property, when such costs are assumed by the accounting carrier.

The carrier's records shall be kept in such manner as to show separately the cost of land purchased by it and the estimated values at time of acquisition of lands donated.

Proceeds from the sale of timber or of improvements purchased with right of way, less any cost of removal, shall be credited to this account.

ITEMS OF EXPENSE

Abstracts.
Appraisals.
Arbitrators in condemnation cases.
Commissions paid to others.
Condemnation expenses, including court costs and special counsel fees.
Damages to property of others.
Deferred payments for right of way.
Ditches for waterways when part of consideration.
Judgments and decreed costs to clear or defend titles.
Notarial fees.
Plats.
Premiums on condemnation bonds.
Recording deeds.
Payments for relinquishment of cattle passes and other rights.
Removal and relocation of buildings and other structures not purchased.
Rent of land when part of consideration for purchase.
Right-of-way agents' compensation (engaged solely in acquiring right of way).
Taxes accrued and assumed at time of purchase.

NOTE: The cost of land acquired in excess of that necessary for transportation operations shall be included in balance-sheet account 705, "Miscellaneous physical property." When the purchase of land acquired for transportation operation involves the purchase of land not used for such purposes the charges to this account shall be based upon the estimated cost of only that portion which is used for such purposes, and the cost of the remaining land shall be included in account 705, "Miscellaneous physical property." Only the actual cost borne by the carrier for right of way and other lands acquired through vacation of streets and highways shall be included in this account. No donations should be considered as involved in the acquisition of such property.

§ 10.2½ *Other right-of-way expenditures.* This account shall include the cost (in excess of cost of railway facilities installed, if any) actually borne by the carrier of improvement projects (other than public improvement projects), such as the construction of canals, farm and other private passes, pipe lines, drains, and other facilities across the carrier's right of way.

§ 10.3 *Grading.* This account shall include the cost of clearing and grading the roadway, and of constructing protection of a permanent character for the roadway, tracks, embankments, and cuts.

When a part of a bridge or trestle, or the entire structure, is converted by filling into an earth embankment, and the bridge is used in lieu of a temporary trestle for the purpose of filling, the estimated cost of such temporary trestle shall be included in the cost of the filling, and charged to this account. (See Note A, under account 6, "Bridges, trestles, and culverts.")

When a tunnel is converted into an open cut, the cost of clearing, grubbing, and excavating shall be included in this account.

DETAILS OF ROADBED AND ITEMS OF EXPENSE

Advertising for contractors' bids.
Berm ditches.
Blasting.
Breakwaters.
Bulkheading.
Clearing land.
Cribbing.
Ditches (not required by right-of-way agreement).
Dressing slopes.
Excavation for conversion of tunnels into open cuts.
Filling bridges, trestles, and culverts.
Grading outfits.
Grubbing land.
Material taken from borrow pits.
Operation of steam shovels.
Payments for privilege of wasting material on the property of others.
Payments for waste banks off the right-of-way.
Retaining walls.
Revetments.
Riprap.
Spoil banks.
Temporary trestling for fills.
Tools for grading.
Wing dams.

§ 10.5 *Tunnels and subways.* This account shall include the cost of tunnels and subways for the passage of trains, including apparatus for ventilating and lighting, and safety devices therein, other than signals.

NOTE A: The cost of tracks, including guard rails, in tunnels shall not be charged to this account.

NOTE B: Station subways not highway crossings are includible in account 16, "Station and office buildings."

NOTE C: If a tunnel be converted into an open cut the accounting shall be in accordance with § 10.01–11 *Adjustment for converted property.*

§ 10.6 *Bridges, trestles, and culverts.* This account shall include the cost of the substructure and superstructure of bridges, trestles, and culverts which carry the tracks of the carrier over watercourses, ravines, public and private highways, and other railways.

DETAILS OF BRIDGE STRUCTURES

Abutments.
Bridge signs.
Cofferdams.
Concrete and masonry ends for culverts.
Cribs.
Decking, including gravel for fire protection.
Dike protection.
Drainage systems.
Draw protection.
Drawbridge engines and machinery.
False work.
Guard timbers.
Ice breakers.
Painting (except repainting).
Pier protection.
Piers and foundations.
Pipe culverts.
Retaining walls.
Riprap around abutments.
Riprap at culvert ends.
Supports.
Water channels.
Waterproofing.
Wing dams.
Wing walls.

NOTE A: When a part of the entire structure of a bridge or trestle is converted, by filling, into an earth embankment, the ledger value of the structure, or of the portion thereof filled, shall be credited to this account. In case the bridge or trestle is used in lieu of a temporary trestle for the purpose of filling, the estimated cost of such temporary trestle shall be charged to account 3, "Grading." The ledger value of the structure or portion thereof, filled, less the value of the salvage and the estimated cost of trestle charged to account 3, shall be charged to account 702½C.

NOTE B: The cost of bridges to carry the carrier's tracks over undergrade crossings, including the necessary piers and abutments to sustain them shall be included in this account. (See *"Cost"* in paragraph (c) of § 10.01–2 *Items to be charged.*)

§ 10.7 *Elevated structures.* This account shall include the cost of elevated structures and foundations of elevated railway systems.

This account is applicable to structures other than earthwork, which are for the purpose of elevating tracks above the grade of streets, and which are not properly classable as bridges or trestles.

NOTE: The cost of stations and other structures built on elevated structures shall be accounted for according to the class of the structure thus superimposed and not in this account.

§ 10.8 *Ties.* This account shall include the cost of cross, switch, bridge, and other track ties used in the construction of tracks for the movement or storage of locomotives and cars (including tracks in shops, fuel stations, supply yards, etc.), and the cost of additional ties subsequently laid in such tracks; also the excess cost of metal ties used in repairs of track over the cost to replace in kind wooden ties removed.

The cost of handling ties in general supply and storage yards shall be included as store expenses apportioned to this account when the ties are used for construction purposes.

NOTE A: The cost of labor for unloading, distributing, and placing the ties in tracks, and the cost of train service in connection with the distribution of ties laid shall be charged to account 12, "Track laying and surfacing."

NOTE B: The cost of ties used in the construction of car floats shall be included in the cost of such floating equipment, and the cost of ties used in the construction of temporary tracks, such as gravel-pit and quarry tracks, shall be included in the appropriate clearing accounts.

§ 10.9 *Rails.* This account shall include the cost of rails used in the construction of tracks for the movement or storage of locomotives and cars (including tracks in shops, fuel stations, supply yards, etc.), and the cost of the excess in weight of heavier rails laid in replacement of lighter rails.

The cost of handling rails in general supply and storage yards shall be included as store expenses apportioned to this account when the rails are used for construction purposes.

To this account shall be credited the cost (at current prices at time of removal) of the excess weight of heavier rails replaced with lighter rails.

NOTE A: The cost of labor for unloading, distributing, and placing the rails in tracks, and of train service in connection with the

distribution of the rails, shall be charged to account 12, "Track laying and surfacing."

NOTE C: The cost of rails used in the construction of car floats shall be included in the cost of such floating equipment, and the cost of rails used in the construction of temporary tracks, such as gravel-pit and quarry tracks, shall be included in the appropriate clearing accounts.

§ 10.10 *Other track material.* This account shall include the cost of material used in the construction of tracks for the movement or storage of locomotives and cars (including tracks in shops, fuel stations, supply yards, etc.), except ballast and material chargeable to foregoing accounts; also the excess cost of heavier or improved "other track material" used in repairs of tracks over the cost of replacing in kind such material removed.

The cost of handling "other track material" in general supply and storage yards shall be included as store expenses apportioned to this account when such material is used in the construction of new tracks.

ITEMS OF OTHER TRACK MATERIAL

Angle bars.
Anticreepers.
Bumping posts.
Compromise joints.
Connecting rods.
Crossings for steam and electric railways, including foundations or bases.
Derails.
Frog blocking.
Frogs.
Guard-rail blocking.
Guard-rail clamps.
Guard-rail fasteners.
Guard rails, switch and other.
Main rods.
Nut locks.
Nuts.
Offset bars.
Rail braces.
Rail chairs.
Rail clips.
Rail joints.
Rail rests.
Rail shims.
Rail splices.
Splice bars.
Step chairs.
Switch chairs.
Switch crossings.
Switch lamps.
Switch locks and keys.
Switch points.
Switch stands.
Switch targets.
Switches.
Tie plates.
Tie plugs.
Tie rods.
Track bolts.
Track insulators.
Track spikes.

NOTE A: The cost of labor and train service for distributing, unloading, and applying "other track material" shall be charged to account 12, "Track laying and surfacing."

NOTE B: No entry is required in this account with respect to improved "other track material" unless installed under a definite plan of changing standards, such as increasing the weight of rail.

NOTE C: The cost of "other track material" used in the construction of car floats shall be included in the cost of such floating equipment, and the cost of such track material used in the construction of temporary tracks, such as gravel-pit and quarry tracks, shall be included in the appropriate clearing accounts.

§ 10.11 *Ballast.* This account shall include the cost of gravel, stone, slag, cinders, sand, and like material used in ballasting tracks (including tracks in shops, fuel stations, supply yards, etc.) not previously ballasted, including cost of work-train service and of unloading; cost of ballast applied in excess of ballast required to restore to its maximum height and width the ballast previously put on the roadbed; and the excess cost of improved ballast used in renewals over the cost to replace in kind to the original height and width the ballast removed. Charges to this account shall not exceed the cost of ballast applied to a depth of 24 inches beneath the tie, unless otherwise authorized by the Commission. (§ 10.04–11 *gravel and sand pits and quarries* applies to the accounting for pits from which ballast material is obtained either for construction work or for maintenance, or for both.)

NOTE A: The cost of ballast used in the construction of temporary tracks, such as gravel-pit and quarry tracks, shall be included in the appropriate clearing accounts.

NOTE B: Earth placed to form a crown in the middle of the track is not to be considered as ballast.

NOTE C: The cost of ballast material placed on the decking of bridges solely for fire-protection purposes shall be included in account 6, "Bridges, trestles, and culverts."

NOTE D: No charge shall be made to the accounts of this classification representing the value of cinders accumulated by the carrier.

§ 10.12 *Track laying and surfacing.* This account shall include the cost of distributing (including train service), laying, and adjusting ties, rails, and other track material used in the construction of tracks for the movement or storage of locomotives or cars, including repair tracks, but not tracks on car floats or temporary tracks the cost of which is chargeable to clearing accounts. It shall also include the cost of the labor expended in placing ballast in tracks not previously ballasted.

NOTE A: The cost of distributing and adjusting ties, rails, ballast, and other track material for repairs shall be charged to operating expenses, both when such materials are replaced in kind and when replaced with improved and heavier material.

NOTE B: The cost of work-train service in delivering ballast and of unloading such material is provided for in account 11, "Ballast."

§ 10.13 *Fences, snowsheds, and signs.* This account shall include:

(a) The cost of right-of-way fences and snow and sand fences, farm gates, cattle guards, wing fences, aprons, and hedges, on property not previously fenced, excluding those around stockyards, fuel stations, station and shop grounds, and building sites.

(b) *Snowsheds.* The cost of snowsheds, including initial cost of planting trees for protecting tracks from snow.

(c) *Signs.* The initial cost of signs other than those for identification of bridges, signals, stations, and other structures.

SIGN ITEMS

Boundary signs.
Bridge-caution signs.
Crossing signs.
Curve and elevation markers.
Division-limit signs.
Mileposts.
Monuments.
Safety-first signs at crossings.
Section-limit signs.
Slow or stop signs.
Tunnel - caution signs.
Water-station signs.
Water-trough signs.
Whistle signs.
Yard-limit signs.

NOTE A: The cost of fences (other than right-of-way boundary fences) around stock yards, fuel and water stations, and other building sites, shall be charged to the accounts appropriate for the cost of the structures.

NOTE B: The cost of signs for identifying bridges, signals, stations, and other structures shall be included in the account appropriate for the cost of the structures.

NOTE C: The cost of crossing signals, including crossing gates, shall be included in account 27, "Signals and interlockers."

NOTE D: It shall also include the cost of replacing units of such property or substantial parts of fences or snowsheds the original cost of which were charged to this account.

§ 10.16 *Station and office buildings.* This account shall include the cost of station and office structures, their fixtures, appurtenances, and furniture necessary first to equip the buildings for use.

STATION AND OFFICE STRUCTURES AND DETAILS

Baggage rooms.
Breakwaters for protection of buildings.
Buildings and rooms for trainmen.
Buildings on piers.
Call bells.
Coal bins.
Coal transferring machinery (not on coal and ore wharves).
Coal trestles (not at fuel stations).
Commissarial buildings.
Drainage and sewerage systems.
Dwellings.
Eating houses.
Electric wiring.
Elevators and machinery.
Express buildings.
Fences
Fire-engine houses.
Freight cranes.
Freight derricks.
Freight handling machinery.
Freight houses.
Garages.
Gas-supply systems.
General office buildings.
Grain cribs.
Grain elevators.
Grain warehouses.
Greenhouses.
Hay houses.
Heating plants.
Hedges.
Hoisting engines, for handling freight.
Hose houses.
Ice houses.
Lighting plants.
Mail cranes.
Milk stands.
Office buildings.
Ore-transferring machinery.
Outhouses.
Pavement within ground limits.
Platforms, freight.
Platforms, passenger, including planking between tracks.
Power distribution systems, interior.
Reading rooms.
Rooms for Y. M. C. A.
Scale houses.
Sidewalks.
Stables.
Station footbridges (not highway crossings).
Station intertrack fences.
Station platforms.
Station signs.
Station stairways.
Station subways (not highway crossings).
Station power houses.
Stations, freight.
Stations, passengers.
Stock pens.
Storehouses.
Telegraph offices.
Telpher systems.
Track scales.
Transfer houses.
Transfer platforms.
Waiting rooms.
Warehouses.
Washrooms.
Water-supply systems.
Yard offices.

NOTE A: Office buildings used exclusively in connection with maintenance of way shall be included in account 17, "Roadway buildings." Those used exclusively in connection with maintenance of equipment shall be in-

cluded in account 20, "Shops and enginehouses."

NOTE B: The cost of grading and preparing grounds, both before and after the construction of station and office buildings, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

§ 10.17 *Roadway buildings.* This account shall include the cost of roadway shops and other roadway buildings, including drainage, water, gas, and sewer pipes and connections; and all machinery, fixtures, and furniture to equip the building ready for use.

LIST OF ROADWAY BUILDINGS

Bins for material.
Blacksmith shops.
Boarding houses.
Breakwaters for protection of buildings.
Carpenter shops.
Dwellings.
Fire-engine houses.
Frog shops for repair of track material.
Hand-car houses.
Lighting plants.
Lumber sheds.
Offices.
Outhouses.
Planing mills.
Rail shops for repair of track material.
Repair shops.
Scrap bins.
Section dwelling houses.
Stables.
Storehouses.
Tool houses.
Watch houses.

NOTE: The cost of grading and preparing grounds both before and after the construction of roadway buildings, and the cost of constructing sidewalks, driveways, and fences thereon shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

§ 10.18 *Water stations.* This account shall include the cost of structures, facilities, and appliances necessary to equip for service, stations for supplying water. The cost of analyses of water preliminary to the establishment of water stations shall be included in this account.

WATER STATION STRUCTURES AND DETAILS

Boilers.
Breakwaters for protection of buildings.
Buildings on piers.
Cisterns.
Dams.
Fences.
Outhouses.
Penstocks.
Pump houses.
Pumps.
Purifying plants.
Reservoirs.
Settling basins.
Stationary engines.
Steam pipes.
Tanks and foundations.
Test wells.
Track tanks.
Tubs.
Water cranes.
Water pipe lines.
Water-treating plants.
Wells.
Windmills.

NOTE A: The cost of water stations used solely for supplying water to shops, power plants, stations, hotels, tenement houses, or section houses shall be charged to the appropriate accounts relating to the property so supplied.

NOTE B: The cost of a temporary water station established only for use during the construction period shall be included in the primary accounts to which is charged the cost of the work in connection with which the water station is used.

NOTE C: The cost of grading and preparing grounds both before and after the construction of water station buildings, and the cost of constructing sidewalks, driveways, and fences thereon shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

§ 10.19 *Fuel stations.* This account shall include the cost of structures, facilities other than tracks, and appliances necessary to equip for service, stations for supplying fuel to locomotives and floating equipment.

FUEL STATION STRUCTURES AND DETAILS

Breakwaters for protection of buildings.
Buckets.
Buildings on piers.
Coal buckets.
Coal buggies.
Coal hoists.
Coal pockets and chutes.
Dumping machinery.
Elevating machinery.
Fences.
Fuel houses or stations.
Fuel-oil columns.
Fuel-oil plants.
Fuel-oil pumps.
Fuel-oil sumps.
Fuel-oil tanks.
Fuel platforms.
Fuel wharves.
Inclines.
Outhouses.
Scales.
Sheds.
Stationary engines.
Tipple cars.
Weighing apparatus.
Wood racks.

NOTE A: The cost of fuel stations, coal houses, etc., used solely for supplying fuel to shops, power plants, stations, hotels, tenement houses, or section houses shall be charged to the appropriate accounts relating to the property so supplied.

NOTE B: The cost of a temporary fuel station established only for use during the construction period shall be included in the primary accounts to which is charged the cost of the work in connection with which the fuel station is used.

NOTE C: The cost of grading and preparing grounds both before and after the construction of fuel station buildings, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

§ 10.20 *Shops and enginehouses.* This account shall include the cost of buildings to be used as shops, enginehouses, and storehouses for material for maintenance of equipment; foundations, except those special to particular machines and other apparatus; furniture and fixtures other than equipment chargeable to account 44, "Shop machinery"; drainage, sewerage, and water-supply systems; and plants for heat and light.

SHOP AND ENGINEHOUSE STRUCTURES AND DETAILS

Air-compressor houses.
Ash pits and pockets.
Ash plants.
Bins for material.
Blacksmith shops.
Breakwaters for protection of buildings.
Buildings on piers.
Car sheds.
Car shops.
Carpenter shops.
Cinder pits.
Cinder pockets.
Drop pits.
Dry houses.
Electric-power distribution systems within buildings.
Enginehouses.
Fire-engine houses.
Footbridges (not public highways).
Foundries.
Gas-compressor houses.
Heating plants.
Hose houses.
Ice houses.
Laboratories.
Lighting plants.
Lumber sheds.
Machine shops.
Material and supply truck tracks.
Motor-crane tracks.
Offices, shop.
Oil houses.
Outhouses.
Paint shops.
Pipe lines, air, interior.
Pipe lines, car-heating.
Pipe lines, gas, interior.
Planing mills.
Platforms, shop and yard.
Repair shops.
Sand houses.
Scale houses.
Scrap bins.
Sidewalks.
Stables.
Steam-distribution systems, interior.
Storehouses.
Tanks, gas.
Tanks, oil.
Test rooms.
Tin shops.
Tool houses.
Track scales.
Transfer tables.
Turntables.
Upholstering shops.
Warehouses.
Wash rooms.
Watch houses.

NOTE A: The cost of distinct power plant buildings for shop purposes shall be included in account 29, "Power plants." The cost of distribution systems leading from such power plants to shops and enginehouses shall be included in account 31, "Power-transmission systems."

NOTE B: The cost of grading and preparing grounds both before and after the construction of shop and enginehouse buildings, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

NOTE C: The cost of shop buildings devoted solely to the maintenance of way and structures shall be included in account 17, "Roadway buildings."

§ 10.21 *Grain elevators.* This account shall include the cost of structures, including the cost of conveyors, machinery, and fixtures which the railway companies operate for the transfer, treatment, and storage of grain.

The buildings referred to in this account are not small storage elevators at stations where grain is received for shipment, etc., but large elevators in which grain is stored for various owners.

NOTE A: Small storage elevators at way stations are classed as station buildings.

NOTE B: The cost of grading and preparing grounds both before and after the construction of grain-elevator buildings, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of perma-

nent water rights shall also be included in the cost of the buildings.

NOTE C: The cost of grain elevators leased to noncarriers shall be included in account 705, "Miscellaneous physical property."

§ 10.22 *Storage warehouses.* This account shall include the cost of storage warehouses, including machinery and fixtures therein.

The buildings herein referred to are not the ordinary freight warehouses or stations where freight is received for shipment, etc., but warehouses in which merchandise is stored and which the railway companies operate as storage warehouses.

NOTE A: The cost of grading and preparing grounds both before and after the construction of storage warehouse buildings, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

NOTE B: The cost of warehouses leased to noncarriers shall be charged to account 705, "Miscellaneous physical property."

§ 10.23 *Wharves and docks.* This account shall include the cost of wharves, docks, dry docks, slips, float bridges, and other landings for vessels, including the cost of necessary dredging, and the cost of float-bridge machinery; also the cost of piling, pile protection, cribs, cofferdams, walls, and other necessary devices and apparatus for the operation or protection of wharves and docks.

DETAILS OF WHARVES AND DOCKS

Bridge pontoons.
Bulkheads.
Caissons.
Cribwork.
Dry docks.
Ferry-bridge machinery.
Ferry bridges.
Ferry racks.
Ferry slips.
Jetties.
Jetty inclines.
Transfer-bridge machinery.
Transfer bridges.

NOTE A: The cost of coal and ore wharves and docks shall be included in account 24, "Coal and ore wharves."

NOTE B: The cost of the land on which wharves are built and cost of riparian or water rights for wharves and docks shall be charged to account 2, "Land for transportation purposes."

NOTE C: The cost of buildings located on wharves shall be included in the accounts appropriate for the class of buildings.

NOTE D: The cost of grading and preparing grounds both before and after the construction of wharves (other than coal and ore wharves) and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the wharves, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the wharves.

§ 10.24 *Coal and ore wharves.* This account shall include the cost of wharves and docks for the transfer, treatment, blending, or storage of coal or ore, including the cost of necessary dredging and of conveyors, machinery, and fixtures.

NOTE A: The structures referred to in this account do not include small transfer or storage trestles or wharves at stations where coal is stored or delivered, such trestles being classed as station buildings.

NOTE B: The cost of grading and preparing grounds both before and after the construction of coal and ore wharves, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the wharves, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the wharves, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the wharves.

§ 10.26 *Telegraph and telephone lines.* This account shall include the cost of telegraph and telephone lines, including terminal equipment.

DETAILS OF TELEGRAPH AND TELEPHONE TERMINAL EQUIPMENT

Batteries.
Cables and wires, interior.
Conduits, interior.
Connecting wires.
Current-controlling instruments.
Electric generators and motors.
Electric meters.
Engines, stationary.
Fuses and mechanical protectors.
Rectifiers.
Rheostats.
Sending and receiving instruments.
Switchboards.
Testing outfits.
Transformers.

DETAILS OF TELEGRAPH AND TELEPHONE OUTSIDE PLANT

Aerial attachments.
Braces.
Brackets.
Cable boxes and appurtenances.
Cables and wires, aerial.
Conduits and appurtenances.
Cross arms.
Guy stubs.
Guy wires.
Insulators.
Poles.
Submarine cables and connections.
Telephone pole boxes.
Towers.
Underground cables and connections.

§ 10.27 *Signals and interlockers.* This account shall include the cost of interlocking and other signal apparatus for governing the movements of locotives, cars, and trains, and for the protection of traffic at crossings, including towers and other buildings, furniture, fixtures, and machinery in connection therewith; roadway installations for train control and remote control including the cost of the initial tests of such installations; also the cost of buildings and machinery of power plants used primarily for the production of power for the operation of signals and interlockers.

ITEMS

Air compressors.
Automatic-train control devices other than on equipment.
Batteries.
Battery wells and houses.
Boilers.
Call-bell systems along track to call in flagmen.
Call boxes, electric.
Car-retarder systems.
Centralized traffic control.
Conduits for pipe and wire.
Crossing flasher-light signals.
Crossing gates, highway and railway.
Crossing signal bells.
Crossing warning signals.
Distant signals.
Dynamos.
Engines, stationary.
Home signals.
Impedance bonds.
Interlocker buildings.
Interlocker machinery.
Interlocker mechanism.
Levers.
Power apparatus primarily for the operation of signals and interlockers.
Power-distribution lines primarily for the operation of signals and interlockers.
Rail bonds.
Railway crossing signals.
Relays.
Semaphores.
Signal and switch levers.
Signal arms.
Signal blades.
Signal bridges.
Signal buildings.
Signal cables.
Signal-lamp brackets and connections.
Signal lamps.
Signal machinery.
Signal poles and foundations.
Signal pulleys and foundations.
Special appliances.
Station signals.
Train-order signals.
Wiring.

NOTE A: When signal or interlocking apparatus is located in a station building, only the cost of the signal or interlocking apparatus shall be charged to this account. The entire cost of the building shall be included in account 16, "Station and office buildings."

NOTE B: The cost of track material, such as switches, special rail braces, special rods, special track fastenings, split rails, derails, derail stands, and frogs, used in connection with interlockers, shall be included in account 10, "Other track material."

NOTE C: When derails are arranged so as to be thrown from switch stands, the cost of labor expended in the installation of the connections between the switch stand and derail and the devices for throwing the derail shall be included in account 12, "Track laying and surfacing." The cost of the material shall be included in account 10, "Other track material."

NOTE D: The cost of grading and preparing grounds both before and after the construction of signal and interlocker buildings, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

§ 10.29 *Power plants.* This account shall include the cost of power-plant and substation buildings (housing machinery provided for in account 45, "Power-plant machinery"); all foundations other than those special to particular machines and apparatus; and also dams, canals, pipe lines, and accessories devoted to the utilization of water for power. Gas and sewer pipes and their connections, fixtures (including wiring) for lighting and heating, and furniture and miscellaneous fixtures, shall be considered as a part of the power-plant buildings.

POWER-PLANT STRUCTURE ITEMS

Buildings.
Coal pockets and trestles.
Coal bunkers.
Fences (other than right-of-way boundary fences).
Fixtures for lighting (including wiring) and heating power-plant buildings.
Foundations (except special foundations for machines and other apparatus).
Fuel-oil tanks.
Furniture.
Hose and appliances for protecting buildings against fire.
Pavement within ground limits.
Permanent rights in water supply.
Platforms.
Smoke stacks and chimneys and their foundations when distinct from and not resting on boilers.
Water, sewer, gas, and drainage pipes and connections.
Wells (but not pumps).

DAM, CANAL, AND PIPE-LINE ITEMS

Aqueducts.
Bridges.
Fences (Other than right-of-way boundary fences).
Footbridges.
Forebays.
Gates.
Grids.
Inlet valves.
Penstocks.
Reservoirs.
Roadways.
Sluices.
Valves.
Water rights.

NOTE A: The cost of power-plant machinery, including stacks resting on boilers, and special foundations for machines, shall be included in account 45, "Power-plant machinery."

NOTE B: The cost of the buildings and of the power machinery and other apparatus of plants used primarily for operating signals and interlockers shall be included in account 27, "Signals and interlockers."

NOTE C: Investment in buildings and machinery of detached plants for furnishing power both for operating purposes and for sale shall be included in this account and in account 45, "Power-plant machinery," respectively. When plants are intended and used primarily for generating power for sale to other than common carriers, the investment shall be included in account 705, "Miscellaneous physical property."

§ 10.31 *Power-transmission systems.* This account shall include the cost of systems for conveying electricity, steam, and compressed air from producing plants to place or building where used; also the cost of conduits and of poles, cross arms, insulator pins, brackets, and other pole fixtures, and of other structures for power-transmission and distribution systems, including those for electric railway operation, and lighting systems for general lighting purposes.

POWER-TRANSMISSION SYSTEM ITEMS

Air pipe-lines in car yards.
Cables.
Compressed air pipe-lines.
Compressed air storage tanks (not at power houses or shops).
Cut-outs (not at power houses and substations).
Feed wires.
Guard wires.
Insulators and connections.
Overhead trolley wires.
Rail-bond plugs.
Rail bonds.
Rail-insulating devices.
Span wires.
Steam-heating pipe-lines in car yards.
Steam pipe-lines.
Switchboards (not at power houses and substations).
Third rail.
Third-rail braces.
Third-rail insulation and protection.
Third-rail supports.
Transformers (not at power houses and substations).
Underground power tubes.

POLE-LINE AND CONDUIT ITEMS

Braces and other supports for holding poles in position.
Brackets and other pole fixtures.
Conduits for wires and cables.
Cross arms.
Cutting and trimming trees.
Guy stubs.
Guy wires.
Insulator pins.
Manholes.
Poles.
Sewer traps.
Stenciling or painting letters or numbers on poles.
Towers.

NOTE A: The cost of wire and pipe-distribution systems located within shop buildings and in stations and office buildings shall be included in the cost of the buildings, except that lateral service lines to equipment-shop machines shall be included in account 44, "Shop machinery." The cost of distribution systems used primarily for operating signals and interlockers shall be included in account 27, "Signals and interlockers."

NOTE B: The cost of conduits and of poles and fixtures for telegraph and telephone, or signal lines shall be included in account 26, "Telegraph and telephone lines," or account 27, "Signals and interlockers," as appropriate. The cost of poles and conduits used for telegraph and telephone or signal lines and for power-distribution lines shall be included in the account appropriate according to their predominant use.

§ 10.35 *Miscellaneous structures.* This account shall include the cost of all permanent structures not provided for elsewhere, including all fixtures and furniture to equip them for use.

§ 10.37 *Roadway machines.* This account shall include the cost of the initial outfit of roadway machines provided for the maintenance of roadway and structures at the time the road is opened for commercial traffic, and the cost of additional roadway machines acquired subsequently.

LIST OF ROADWAY MACHINES

Boilers, portable.
Cars, hand.
Cars, lever.
Cars, motor inspection.
Cars, push.
Cars (small), crane, for supply yards and general use.
Concrete mixers.
Ditching machines.
Dredging machines.
Engines, portable.
Grading outfits.
Hydraulic outfits.
Jacks, hydraulic.
Log loaders.
Pile drivers.
Plows, unloading.
Rail unloaders.
Rock crushers.
Steam rollers.
Timber trucks.
Velocipedes.

NOTE A: When an important addition and betterment project or the construction of a new line necessitates the purchase of roadway machines to be used exclusively thereon, the cost shall be included in the accounts to which the cost of the work is charged. The amount realized from any subsequent sale, or the appraised value of the machines retained after the completion of the special work for which they were purchased, shall be credited to the accounts charged with the cost thereof. The appraised value of such machines retained shall be debited to this account and thereafter considered as the cost of such property.

NOTE B: The cost of machines for the equipment of roadway shops shall be included in account 17, "Roadway buildings," as provided for therein.

NOTE C: The cost of roadway machines, such as pile drivers, log loaders, hoist engines, and concrete mixers, when permanently mounted for movement on the carrier's tracks, shall be included in account 57, "Work equipment."

§ 10.38 *Roadway small tools.* This account shall include the cost of the initial outfit of roadway and track small tools provided for the maintenance of way and structures at the time the road is opened for commercial traffic; also the initial outfit of such tools provided for the maintenance of extensions of such road.

LIST OF ROADWAY TOOLS

Adzes.
Anvils.
Augers.
Axes.
Ballast forks.
Bars, claw.
Bars, crow.
Bars, lining.
Bars, pinch.
Bars, raising.
Bars, tamping.
Braces and bits.
Brooms.
Brush hooks.
Cable stretchers.
Cables.
Cans, oil.
Cans, water.
Cant hooks.
Chains.
Chisels, track.
Chisels, wood.
Curbing hooks.
Dippers.
Drawing knives.
Drill bits.
Drills, portable.
Flags, signal.
Furnaces, portable.
Grindstones.
Hammers, napping.
Hammers, paving.
Hammers, spiking.
Handles for tools.
Hatchets.
Hoes.
Jack levers.
Jacks, ratchet.
Jacks, screw.
Jacks, track.
Kegs, water.
Ladders.
Lanterns and fixtures.
Lawn mowers.
Levels.
Lines for ditching.
Nippers.
Oilstones.
Padlocks.
Pails, water.
Paint brushes.
Picks, clay.
Picks, tamping.
Pike poles.
Post-hole diggers.
Post-hole tampers.
Punches.
Rail benders.
Rail tongs.
Rakes.
Rope.
Saws, crosscut.
Saws, hand.
Scrap boxes.
Scythes.
Shovels.
Sickles.
Sledges.
Spades.
Spike mauls.
Spike pullers.
Spot boards.
Squares.
Straightening machines.
Tape lines.
Thermometers for laying rail.
Tongs.
Tool boxes.
Torches.
Track gauges.
Track levels.
Vises.
Weed spuds.
Wheelbarrows.
Whetstones.
Wood mallets.
Wrenches, monkey.
Wrenches, track.

NOTE: The cost of roadway and track small tools of which no specific record is kept shall be charged when acquired to an appropriate materials and supplies account, from which they shall be charged as issued to the appropriate road and equipment, operating expense, or other accounts. When such tools are used both for construction and maintenance work the cost shall be equitably apportioned among the accounts provided for the two classes of work.

§ 10.39 *Public improvements; construction.* This account shall include amounts assessed on carrier property by governmental authority (by mutual agreement or otherwise) to cover the cost of constructing public improvements, when such assessments are made against property within defined areas of taxing districts. It shall also include the cost borne by the carrier of public improvements constructed by it under governmental requirements.

The entire amount of each assessment for public improvements shall be included in this account as soon as it is determined.

ITEMS

Cost of land outside carrier's right of way to provide for the relocation of streets or highways or providing slopes therefor.
Cost of removal and relocation of buildings and other structures in connection with the construction of streets and highways.
Curbing streets and highways.
Damage to property of others when incidental to highway construction.
Drainage systems.
Engineering—When such costs apply to items chargeable to this account.
Flood protection.
Grading streets and highways.
Guttering streets and highways.
Irrigation systems.
Levees.
Overhead highway bridges, including approaches.
Paving streets and highways, including such pavings at crossings.
Planking, highway crossings.
Sewer systems.
Sidewalks.
Street-lighting systems.
Water works.

NOTE A: The cost of railway facilities installed in connection with joint public improvement projects if not in excess of total costs borne by the carrier shall be included in accounts other than account 39, "Public improvements—Construction," appropriate for the class of property installed. Any costs borne by the carrier in excess of the cost of railway facilities shall be charged to this account.

NOTE B: The cost to the carrier of maintaining public improvements shall be included in Operating Expenses.

NOTE C: Any portion of the cost of public improvements which is included in the general tax levy for a regular taxing district shall be included in the account appropriate for taxes.

NOTE D: The amount of the deferred payments of assessments for public improvements if payments are to be made within one year, shall be included in account 768, "Other current liabilities." If the payments are spread over a longer period they shall be credited to account 770, "Other deferred liabilities." The interest paid on such assessments shall be included in account 547, "Interest on unfunded debt."

NOTE E: Interest and penalties imposed, on basis of monthly or annual percentage rates, for failure to pay assessments within the allotted time shall be charged to account 547, "Interest on unfunded debt."

NOTE F: Assessments on noncarrier property for the cost of constructing public improvements shall be charged to account 705, "Miscellaneous physical property."

§ 10.40 *Revenues and operating expenses during construction.* This account shall include the cost of operating a piece of road during the period before the regular operation of revenue trains, including rent and repairs of equipment used in commercial service during such period. It includes the cost of running construction trains over such section of road when the cost of operating such trains can not properly be charged to any specific account.

To this account shall be credited amounts collected for rents of buildings and other properties and for the transportation of commercial freight or of passengers on construction trains; also the net profits from boarding and commissarial outfits, and other sources of operating revenue.

Carriers which wish to subdivide this account shall use appropriate subaccounts corresponding to accounts prescribed for operating revenue, operating expense, or income accounts.

§ 10.42 *Reconstruction of road property acquired.* When road property acquired is in such physical condition that it is necessary to substantially rebuild the road in order to bring it up to the standard required by the carrier the accounting for such reconstruction including retirements in connection therewith shall be presented to the Commission for approval before being entered in the accounts.

NOTE: A comprehensive statement of the estimated amount necessary to reconstruct a road in accordance with the above provision shall be made to the Commission as soon as the estimate is made.

§ 10.43 *Other expenditures; road.* This account shall include items which can not properly be included in any of the foregoing accounts as a part of the cost of any specific work, amounts paid for rent and repairs of equipment and for injuries to persons incident to and in connection with original road, road extensions, or additions and betterments; and analogous items. When assignable, such expenditures shall be included in the cost of the property in connection with which the expenditure occurs.

NOTE: Rents paid for and repairs made to equipment used in commercial operations during the period before the regular operation of revenue trains shall be charged to account 40, "Revenues and operating expenses during construction."

§ 10.44 *Shop machinery.* This account shall include the cost of machinery and other apparatus in shops and engine houses, including the cost of special foundations and installation, and cost of small hand tools necessary first to equip a shop.

LIST OF SHOP MACHINERY

Air compressors.
Ash conveyors.
Belting.
Blowers.
Boilers for furnishing power.
Boring machines.
Cars, motor.
Cars, push.
Cranes.
Drill presses.
Drilling machines.
Drop tables.
Forges.
Framing machines.
Furnaces.
Grinding and polishing machines.
Hoists.
Hydraulic jacks.
Lathes.
Lifting magnets.
Metal chimneys.
Milling machines.
Motors.
Pipe cutting and threading machines.
Planers.
Pneumatic hammers.
Power equipment.
Punches.
Riveters.
Saws.
Shafting.
Shapers.
Slotters.
Stationary engines.
Steam hammers.
Vises.
Welding machines.
Woodworking machines.

NOTE A: The cost of power plant machinery and other apparatus for shop purposes, when located in distinct buildings, shall be included in account 45, "Power plant machinery."

NOTE B: The cost of foundations other than those special to particular machines and other apparatus shall be included in the cost of the building, and not in this account.

§ 10.45 *Power-plant machinery.* This account shall include the cost of machinery and other apparatus in power plants and substations for generating and transforming power used for the operation of trains and cars or to furnish power, heat, and light for stations, shops, and general purposes, and also the cost of foundations special to particular machines or other apparatus including the cost of installation.

ITEMS

Air compressors.
Ammeters.
Ash-conveying machinery.
Batteries.
Battery-charging apparatus.
Belting.
Boiler-room appliances and tools.
Boilers and fittings.
Boosters.
Cables, interior.
Circuit breakers.
Clutches.
Coal-conveying machinery.
Condensers.
Conductors.
Cranes.
Cut-outs.
Draft machinery.
Dynamos.
Economizers.
Engine-room appliances and tools.
Feed water heaters.
Furnaces.
Generators.
Hangers.
Hoists.
Ice - manufacturing machinery and apparatus.
Insulators.
Lubricating devices.
Machinery.
Mechanical stokers.
Metal stacks on boilers.
Piping.
Pumps.
Purifiers.
Refrigerating - machinery and apparatus.
Rheostats.
Rotary convertors.
Sewer connections for machinery.
Shafting.
Special foundations for machines.
Stationary engines.
Steam - distribution systems within the plant.
Steam fittings.
Switchboards.
Switches.
Tanks.
Tractors, trailers, and trucks, permanently assigned to power plants.
Transformers.
Turbines.
Voltmeters.
Water meters.
Waterwheels.
Well pumps.
Wires from generators or transformers to switchboard.

NOTE A: The cost of power machinery and other apparatus installed in a shop as part of the shop equipment shall be included in account 44, "Shop machinery."

NOTE B: The cost of power machinery and other apparatus installed in station and office buildings shall be included in account 16, "Station and office buildings."

NOTE C: The cost of the buildings and the power machinery and other apparatus of plants used primarily for operating signals and interlockers shall be included in account 27, "Signals and interlockers."

NOTE D: The cost of foundations other than those special to particular machines and other apparatus shall be included in the cost of the building and not in this account.

NOTE E: The cost of machinery and buildings of detached plants for producing power both for operating purposes and for sale shall be included in this account and in account 29, "Power plants," respectively. When plants are intended and used primarily for generating power for sale to non-carriers the investment shall be included in account 705, "Miscellaneous physical property."

§ 10.47 *Unapplied construction material and supplies.* This account shall include the cost of material and supplies located at the point of use which have been purchased for projected new roads and road extensions.

The purpose of this account is to exclude from the current assets the cost of supplies and unapplied material which are located for use on projected new roads and road extensions, under the condition that the material will not be used for other purposes.

NOTE A: Material and supplies designed for projected new roads and road extensions

which are carried in storehouses and store yards and included in the general stock of an operating company shall be included in balance-sheet account 716, "Material and supplies."

NOTE B: The cost of unapplied materials and supplies on hand at the completion of construction work shall be transferred to balance-sheet account 716, "Material and supplies."

EQUIPMENT

§ 10.50 *Equipment.* The several primary accounts included in this general account are designed to show the cost of the several classes of equipment owned by the carrier, or held under equipment trust agreements for purchase.

To the appropriate primary accounts in this general account shall be charged the cost of all equipment, such as steam locomotives, electric locomotives, passenger-train cars, freight-train cars, work equipment, floating equipment, and the necessary appurtenances, furniture, and fixtures first to equip for service, including the cost of inspection, setting up, and trying out, and transportation over foreign lines; also the cost of additions, such as headlights, mechanical stokers, power brakes, vestibules, machinery for self-propulsion, heating and lighting apparatus, and the like; and the excess cost of betterments, such as improved appliances, parts, or appurtenances, over the cost at current prices (as new) of the appliances, parts, or appurtenances removed. The cost of removing the old appliances and applying the improved shall be charged to operating expenses.

The ledger value of each unit of equipment shall be credited to the appropriate equipment account when it is permanently retired from service. (See Note A which follows.)

The service value (see Note B which follows) of the unit shall be charged to account 702½D, "Accrued depreciation—Equipment." An equitable proportion of any balances carried in accounts 72 to 77, inclusive, applicable to the equipment retired, shall be credited thereto concurrently and charged to account 330, "Retirements—Equipment."

The value of the salvage (see Note C which follows) from the unit shall be charged to account 716, "Material and supplies," or to other account appropriate according to the disposition thereof. In case the retired equipment is held without being torn down, the estimated value of the salvage therefrom shall be included in account 722, "Other deferred assets," until the salvage is recovered.

The cost of tearing down the retired unit and recovering the salvage shall be charged to account 329, "Dismantling retired equipment."

The ledger value (estimated if not known) of all parts of equipment retired and not replaced shall be credited to the property investment account and the service value thereof charged to account 702½D, "Accrued depreciation—Equipment."

When equipment of one class is converted so as to be includible in another class, the accounting shall be as provided in § 10.01–11 *Adjustment for converted property.*

When an important addition and betterment project or the construction of new lines necessitates the purchase of equipment to be used exclusively therein, the cost of such equipment shall be included in the accounts representing the cost of the work, and no charge shall be made to operating expenses for depreciation on such equipment while the cost remains so charged. The amount realized from any subsequent sale, or the appraised value of the equipment retained after the completion of the special work for which it was purchased, shall be credited to the accounts charged with its cost. The appraised value of such equipment retained shall be debited to the appropriate primary account herein, and thereafter, for the purposes of accounting, such appraised value shall be considered as the cost of the equipment.

When second-hand equipment acquired is in such physical condition that it is necessary to make extensive repairs to it to bring it up to the standard required by the carrier, the cost of such repairs shall be included in the account appropriate for the cost of the equipment. A comprehensive statement of the amount estimated to be necessary to rebuild second-hand equipment in accordance with the above provision shall be furnished to the Commission as soon as the estimate is made.

When equipment is rebuilt in order to modernize and create an expectation of life fairly comparable with new units of similar type and capacity, the units shall be accounted for as retired from service and their cost as rebuilt shall be charged to the appropriate equipment account. Units of equipment accounted for as rebuilt shall conform to the requirements of the A. A. R. Code of Rules for rebuilt units. The cost of the rebuilt equipment shall be the sum of:

(1) Cost of new material applied.

(2) Current market price new of secondhand parts applied or remaining therein less allowance for secondhand condition.

(3) Cost of labor constructing rebuilt units. *Provided,* That such costs shall not be in excess of the cost (at current market prices of labor and material) of a new unit of equal capacity and equal expectancy of life in service, less a suitable allowance on account of the secondhand portions remaining therein.

The accounting for leased equipment retired shall be in accordance with provisions in § 10.01–7 *Road property retired* relating to leased road property retired.

NOTE A: The term "retired from service" as applied to equipment means equipment which has been permanently withdrawn from transportation service. The dismantling or tearing down of a unit of equipment in order to replace parts thereof with improved parts, when it does not constitute rebuilding such unit, shall be accounted for as repairs. In accounting for such repairs due consideration shall be given to the instructions with respect to accounting for additions and betterments.

NOTE B: The term "service value" as applied to equipment means the ledger value thereof less the value of the salvage therefrom.

NOTE C: The term "value of salvage" means the amount received for property retired, or for the material salvaged therefrom, if sold; or if retained, the value at which the property or the material salvaged therefrom is chargeable to account 716, "Material and supplies," or other account of this system of accounts.

The following list of units of equipment is prescribed for the purpose of designating items of equipment, the ledger value of which shall be credited to the property investment account at the time of retirement:

51. Steam locomotives.
  A complete locomotive.
  A locomotive, exclusive of tender.
  A tender.
  A locomotive booster.
52. Other locomotives.
  A complete locomotive.
  A complete motor equipment.
  A propulsion motor.
  A generator for propulsion power.
53. Freight-train cars.
  A complete car.
  A complete motor equipment.
  A freight container, complete.
  A propulsion motor.
  A generator for propulsion power.
54. Passenger-train cars.
  A complete car.
  A complete motor equipment.
  A propulsion motor.
  A generator for propulsion power.
56. Floating equipment.
  A complete vessel or boat.
  A boiler.
  A steam engine.
  An electric generator.
  A motor.
57. Work equipment.
  (a) Rail equipment:
    (1) A complete car or machine.
    (2) A boiler.
    (3) A steam engine.
    (4) A motor.
    (5) Machinery equipment (with or without tractive machinery) such as concrete mixer, snow plow, derrick, steam shovel, or pile driver.
    (6) A complete motor equipment.
    (7) A generator for propulsion power.
  (b) Floating equipment—Work:
    (1) A complete vessel or boat.
    (2) A boiler.
    (3) A steam engine.
    (4) A motor.
    (5) An electric generator.
58. Miscellaneous equipment.
  A horse.
  A wagon.
  An automobile vehicle.

§ 10.51 *Steam locomotives.* This account shall include the cost of steam locomotives and tenders, purchased or built by the carrier, and of appurtenances, furniture, and fixtures necessary to equip them for service, including the cost of inspection, setting up, and trying out after receipt from builders, and transportation charges to the carrier's line.

LIST OF APPURTENANCES TO LOCOMOTIVES

Air-brake equipment and hose.	Metallic packing.
Arm rests.	Pneumatic sanding equipment.
Awnings.	Seat boxes.
Brake fixtures.	Signal lamps.
Cab cushions.	Speed recorders.
Cab lamps.	Steam-gauge lamps.
Clocks.	Steam-heat equipment and hose.
Coal boards.	Storm doors.
Fire-extinguishing apparatus.	Tool boxes.
Gongs.	Train-signal equipment and hose.
Head lamps.	

§ 10.52 *Other locomotives.* This account shall include the cost of locomotives other than steam, purchased or built by the carrier, and of appurte-

nances, furniture, and fixtures necessary to equip them for service, including inspection, setting up, and trying out after receipt from builders, and transportation charges to the carrier's line.

NOTE. Cars with motor equipment are not to be classed as locomotives.

§ 10.53 *Freight-train cars.* This account shall include the cost of freight-train cars of all classes, including motor-driven cars, purchased or built by the carrier, including all appurtenances, furniture, and fixtures necessary to equip them for service, and the cost of inspection and transportation charges to the carrier's line.

LIST OF FREIGHT-TRAIN CARS

Ballast (commercial).
Beer.
Box.
Cabin.
Caboose.
Charcoal.
Coal.
Coke.
Dump (commercial).
Flat.
Fruit.
Furniture.
Gondola.
Gondola (hopper).
Gondola (long).
Gun truck.
Hay.
Lime.
Logging.
Oil tank.
Ore.
Platform.
Poling.
Poultry.
Produce.
Rack.
Refrigerator.
Stock.
Tank and water (when used as commercial cars).

LIST OF APPURTENANCES TO FREIGHT-TRAIN CARS

Air-brake equipment, including hose.
Cooking equipment and utensils.
Cushions.
Heating equipment.
Ice boxes.
Lamps and fixtures.
Seats.
Speed recorders.
Train-signal equipment, including hose.
Water tanks.

§ 10.54 *Passenger-train cars.* This account shall include the cost of passenger-train cars of all classes, including motor-driven cars, purchased or built by the carrier, including all appurtenances, furniture, and fixtures necessary to equip them for service, and cost of inspection and transportation charges to the carrier's line.

LIST OF PASSENGER-TRAIN CARS

Baggage.
Baggage-express.
Baggage-mail.
Baggage-mail-express.
Buffet.
Café.
Chair.
Club.
Colonist.
Dining.
Express.
Immigrant.
Library.
Mail.
Milk.
Observation.
Parlor.
Parlor-baggage.
Passenger.
Passenger-baggage.
Passenger-baggage-mail.
Postal.
Refrigerator-express.
Sleeping.
Smoking.
Tourist.

LIST OF APPURTENANCES TO PASSENGER-TRAIN CAR

Air-brake equipment, including hose.
Bedding.
Chairs.
Coat hooks.
Curtains and fixtures.
Cushions.
Electric bells.
Floor coverings.
Heating equipment.
Ice boxes.
Ice tanks.
Kitchen equipment and utensils.
Lighting equipment.
Mail catchers.
Parcel racks.
Ranges and boilers.
Seats.
Speed recorders.
Steam-heat hose.
Table china.
Table glassware.
Table linen.
Table silver.
Toilet equipment.
Train-signal equipment, including hose.
Water tanks.

§ 10.56 *Floating equipment.* This account shall include the cost of marine or floating equipment of all kinds except work equipment, purchased or built by the carrier, including all appurtenances, furniture, and fixtures necessary to equip it for service, and cost of inspection and transportation charges to the carrier's line.

LIST OF FLOATING EQUIPMENT

Barges.
Canal boats.
Car and other floats.
Ferryboats.
Lighters.
Power launches.
Power lighters.
Scows.
Steamboats.
Steamships.
Transfer boats.
Tugboats.

LIST OF APPURTENANCES TO FLOATING EQUIPMENT

Anchors.
Axes.
Barometers.
Beds and bedding.
Binnacle lamps.
Blocks and tackle.
Boilers and foundations.
Cables.
Capstan bars.
Carpets.
Charts.
China, crockery, and glassware.
Chronometers.
Clocks.
Compasses.
Counters.
Desks.
Engines and foundations.
Fire buckets.
Fire extinguishers.
Floor coverings.
Flue cleaners.
Furniture.
Gangplanks.
Hatchets.
Heating equipment.
Hoisting equipment.
Hooks.
Keys.
Kitchen equipment.
Life preservers.
Lighting equipment.
Linen.
Lines.
Logs.
Machinery and foundations.
Masts.
Oilcans.
Pianos and other musical instruments.
Pumps.
Racks.
Railings.
Rakes.
Rigging.
Safes.
Sails.
Scales.
Seats, chairs, and cushions.
Shovels.
Slice bars and pokers.
Spyglasses.
Steam distribution systems.
Steering equipment.
Telescopes.
Ticket cases.
Tool boxes.
Tools, miscellaneous.
Tracks on car floats.
Ventilating equipment.
Wrenches.

§ 10.57 *Work equipment.* This account shall include the cost of work equipment, including motor-driven equipment, purchased or built by the carrier; cost of appurtenances, furniture, and fixtures necessary to equip it for service, and cost of inspection and transportation charges to the carrier's line.

LIST OF RAIL WORK EQUIPMENT

Air-brake instruction cars.
Ballast cars.
Ballast unloader cars.
Boarding cars.
Bridge cars.
Business cars.
Camp cars.
Cinder cars.
Concrete mixers (mounted).
Derrick cars.
Dirt spreaders (mounted).
Ditching cars.
Dump cars.
Dynamometer cars.
Gas tank cars.
Grading cars.
Gravel cars.
Indicator cars.
Locomotive tanks used permanently as water cars.
Locomotives.
Officers' cars.
Outfit cars.
Painters' cars.
Pay cars.
Pile drivers (mounted).
Rail saws (mounted).
Salt cars.
Sanding cars.
Scale test cars.
Scraper cars.
Snow dozers.
Snow drags.
Snow plows (moved by but not attached to locomotives).
Sprinkling cars.
Steam shovels.
Steam wrecking derricks.
Supply cars.
Sweeper cars.
Tool cars.
Tool and block cars.
Water cars.
Weed burners (mounted).
Wrecking cars.

LIST OF FLOATING WORK EQUIPMENT

Derricks.
Dredges.
Pile drivers.

APPURTENANCES TO FLOATING WORK EQUIPMENT

Anchors.
Axes.
Barometers.
Beds and bedding.
Blocks and tackle.
Boilers and foundations.
Cables.
China, crockery, and glassware.
Compasses.
Cushions.
Desks.
Engines and foundations.
Fire extinguishers.
Fire buckets.
Floor coverings.
Flue cleaners.
Gangplanks.
Hatchets.
Heating equipment.
Hoisting equipment.
Hooks.
Keys.
Life preservers.
Lighting equipment.
Linen.
Lines.
Machinery and foundations.
Masts.
Oil cans.
Pumps.
Rakes.
Rigging.
Sails.
Seats and chairs.
Shovels.
Slice bars and pokers.
Steam distribution systems.
Steering equipment.
Tool boxes.
Tools, miscellaneous.
Wrenches.

§ 10.58 *Miscellaneous equipment.* This account shall include the cost of horses and harness; and cost of wagons, automobiles, and other highway vehicles.

GENERAL EXPENDITURES

§ 10.70 *General expenditures.* The primary accounts of this general account are designed to include expenditures made in connection with the acquisition and construction of original road and equipment, and with extensions, additions, and betterments to road and equipment property, when such expenditures can not properly be included in any of the foregoing accounts as a part of the cost of any specific work. When assignable, such expenditures shall be included in the cost of the property in connection with which the expenditures occur.

§ 10.71 *Organization expenses.* This account shall include all fees paid to governments for the privilege of incorporation, and office and other expenditures incident to organizing the corporation and putting it in readiness to do business; cost of preparing and distributing prospectuses; costs of soliciting subscriptions for stock; cash fees paid to promoters, and the actual cash value (at the time of the organization) of securities paid to promoters for their services in organizing the enterprise; special counsel fees; cost of preparing and issuing certificates of stock; cost of procuring the necessary certificates from State authorities; and other like costs.

NOTE: Cost of soliciting for loans or for the sale of bonds or other evidences of indebtedness shall be charged to balance-sheet account 725, "Discount on funded debt."

§ 10.72 *General officers and clerks.* This account shall include the pay and expenses of executive and general officers and of general office clerks engaged exclusively in connection with the construction of new road and extensions.

NOTE: The salaries and expenses of executive and general officers and of general office clerks engaged in connection with the conduct of commercial operations during the period before the regular operation of revenue trains shall be included in account 40, "Revenues and operating expenses during construction."

§ 10.73 *Law.* This account shall include specific and distinct expenditures, not provided for elsewhere, for law service in connection with the acquisition of new road, road extensions, additions, and betterments, such as pay and expenses of counsel, solicitors, and attorneys, their clerks and attendants, and expenses of their offices.

ITEMS OF EXPENSES

Arbitrators' services in settlement of disputed questions.
Cost of taking depositions.
Cost of testimony.
Costs of suits.
Court bonds.
Court expenses.
Express charges.
Fees and retainers of attorneys not regularly employed.
Law books.
Legal forms.
Legal reports.
Notarial fees not provided for elsewhere.
Office expenses.
Printing of briefs, testimony, etc.
Rent of offices.
Special fees.
Telegraph service.
Telephone service.
Traveling expenses.
Witness fees not provided for elsewhere.

NOTE: Court costs and special counsel fees in connection with the acquisition of land for transportation operations shall be included in account 2, "Land for transportation purposes."

§ 10.74 *Stationery and printing.* This account shall include the cost of stationery, stationery supplies, postage, office devices, and printed matter used by any class of employees in connection with construction and not provided for elsewhere.

ITEMS OF STATIONERY AND PRINTING

Adding machines.
Addressographs and supplies.
Arm rests.
Binders.
Blank books.
Blotters.
Blotting paper.
Bristol board.
Calculating machines.
Calendars.
Carbon paper.
Cardboard.
Cards, blank and printed.
Circulars.
Computing tables.
Copy (impression) books.
Copying brushes.
Copying presses.
Crayons.
Cross-section books.
Cross-section paper.
Cyclostyles.
Dating stamps and ribbons.
Dictaphones.
Dictographs.
Drawing paper.
Duplicators.
Electric pens.
Envelopes.
Erasers, rubber and steel.
Eyelet punches.
Eyelets.
File boxes.
Forms, blank and printed.
Fuel tickets.
Glass pens.
Hectographs.
Indexes.
Ink for writing and drawing.
Inkstands.
Invoice books.
Legal cap paper.
Letter paper.
Manifold paper.
Manifold pens.
Mimeographs.
Mucilage.
Mucilage brushes.
Neostyles.
Note paper.
Notices.
Numbering stamps.
Oil paper.
Paper.
Paper baskets.
Paper clips.
Paper cutters.
Paper fasteners.
Paper files.
Paper weights.
Papyrographs.
Parchment paper.
Pencil sharpeners.
Pencils for writing and drawing.
Penholders.
Penracks.
Pens for writing and drawing.
Phonographs and records.
Pins.
Postage.
Punches (not conductors' or baggagemen's).
Rubber bands.
Rubber stamps.
Rulers.
Ruling pens.
Scrapbooks.
Sealing wax.
Seals.
Shears.
Shipping tags.
Shorthand notebooks.
Sponge cups.
Sponges.
Stamps, impression.
Stylographs.
Tablets, blank and printed.
Tape.
Telegraph blanks.
Time-tables.
Tissue (impression) paper.
Tracing cloth.
Tracing paper.
Twine.
Typewriters and ribbons.
Wage tables.
Wastebaskets.
Water colors.
Water holders.
Waybills.
Wrapping paper.
Wringers for copying presses.

NOTE A: The cost of printing bonds, etc., in connection with the carrier's funded debt shall be included in balance-sheet account 725, "Discount on funded debt."

NOTE B: The cost of stationery and printing, when assignable, shall be included in the cost of the property in connection with the acquirement or construction of which the expenditure occurs.

§ 10.75 *Taxes.* This account shall include State, county, township, city, school, road, annual franchise, and all other taxes and assessments levied and paid on property belonging to the carrier during construction and before the facilities are used for commercial operations, except special assessments for street and other improvements chargeable to account 39, "Public improvements—Construction."

NOTE: Taxes during construction, when assignable, shall be included in the cost of the property acquired or constructed.

§ 10.76 *Interest during construction.* When any bonds, notes, or other evidences of indebtedness are sold, or any interest-bearing debt is incurred for acquisition and construction of original road and equipment, extensions, additions, and betterments, the interest accruing on the part of the debt representing the cost of property chargeable to road and equipment accounts (less interest, if any, allowed by depositaries on unexpended balances) after such funds become available for use and before the receipt or the completion or coming into service of the property so acquired shall be charged to this account.

When such securities are sold at a premium the proportion of such premium assignable to the time between the date of the actual issuance of the securities and the time when the property acquired or the improvement made becomes available for service shall be credited to this account.

This account shall also include such proportion of the discount and expense on funded debt issued for the acquisition of original road, original equipment, road extensions, additions, and betterments, as is equitably assignable to the period between the date of the actual issuance of securities and the time when the property acquired or the improvement made becomes available for the service for which it is intended. The proportion of discount and expense thus chargeable shall be determined by the ratio between the period prior to the completion or coming into service of the facilities or improvements acquired and the period of the entire life of the securities issued.

NOTE A: Interest on bonds, notes, or other evidences of indebtedness accruing before the proceeds from the sale of the securities become available for use shall not be included in this account, nor shall there be included any interest accruing after the property with respect to which the proceeds are expended is received or becomes available for use in connection with commercial service.

NOTE B: If any securities which have been issued or assumed by the carrier are sold or exchanged by or for the carrier for a consideration the actual money value of which at the time of such sale or exchange is less than the value of the securities at par and the accrued interest thereon, if any, the difference between the money value of the consideration received and the par value of the securities plus the accrued interest shall be deemed a discount. In no case (except as provided in the third paragraph of this account) shall discounts be included as part of the cost of anything charged to any account prescribed in this classification.

NOTE C: For definition of securities actually issued, see Note B, under general balance-sheet account 755, "Funded debt unmatured."

NOTE D: Whenever interest, premium, or discount assignable to the construction period is incurred in connection with an expenditure covered by some specific road and equipment account or accounts, such interest, premium, or discount shall be charged directly to the specific accounts to which it is related.

NOTE E: This account shall not include interest during the construction period on the carrier's own funds expended in connection with the acquisition or construction of original road and equipment, extensions, additions, and betterments.

§ 10.77 *Other expenditures; general.* This account shall include all expenditures of a special and incidental nature in connection with the acquisition and construction of original road and equipment, road extensions, additions, and betterments which can not properly be included in any other account in this classification.

OPERATING REVENUES AND OPERATING EXPENSES

§ 10.02 *General instructions.* The carrier's records shall be kept with sufficient particularity to show fully the facts pertaining to all entries made in the accounts provided herein for railway operations. Where the full information is not recorded in the general books, the entries therein shall be supported by other records in which the full details shall be shown. Such general book entries shall contain sufficient reference to the detail records to permit ready identification, and the detail records shall be filed in such manner as to be readily accessible for examination by representatives of the Interstate Commerce Commission.

§ 10.02–1 *Operating accounts.* The accounts of this classification are designed to show the revenues and expenses (including the maintenance of the facilities used) of the carrier's railway operations, including rail-line transportation, water-line transportation, if any, and services incident to transportation.

"Transportation" includes the receipt, conveyance, and delivery of traffic.

"Rail-line transportation" includes not only the conveyance of traffic over tracks, but also the necessary conveyance by water transfers (ferriage, lighterage, and floatage) either between track terminals or between track terminals and points not reached by tracks.

Carriers are at liberty to subdivide the general and primary accounts here given, but if this option be exercised a statement of the accounts adopted shall be filed in the office of the Bureau of Accounts of the Interstate Commerce Commission.

"The carrier" means the accounting carrier, except when otherwise specifically indicated.

§ 10.02–2 *Unaudited items affecting operating accounts.* When it is known that a transaction has occurred which affects operating revenues or operating expenses, but the amount involved and its effect upon the accounts cannot be determined with absolute accuracy, the amount thereof shall be estimated and included in the appropriate operating and balance-sheet accounts. Any such estimate shall be revised whenever and at the time a substantial change is indicated and shall be finally adjusted as soon as the exact amount is determined. The carrier is not required to anticipate items which would not appreciably affect the operating accounts.

Any change in practice of accounting for accruals or any unusual accruals involving substantial amounts shall be reported promptly to the Commission. Accruals shall not be recorded for purely speculative items, but shall be limited to reasonable estimates on reliable information of transactions that will be consummated.

§ 10.02–3 *Delayed items.* Delayed items and adjustments, except adjustments pertaining to accounts 702½C, "Accrued depreciation — Road," and 702½D, "Accrued depreciation—Equipment," arising during the current year which are applicable to prior years, shall be included in the same account which would have been charged or credited if the item had been taken up or adjusted in the year to which it pertained. When the amount of the delayed item is relatively so large that its inclusion in the appropriate account for the current year would seriously distort the revenues, expenses or income of the current year, the amount of the delayed item may be credited to account 520, "Delayed income credits," or charged to account 557, "Delayed income debits," as may be appropriate.

When the amount of a delayed item is relatively so large that its inclusion in the accounts for a single month will seriously distort those accounts it may be distributed in equal monthly charges to the remaining months of the calendar year.

"Delayed items" are items representing transactions which occurred before the calendar year.

§ 10.02–4 *Miscellaneous operations.* The revenues and expenses of miscellaneous operations involving the use of such facilities as hotels, restaurants, grain elevators, storage warehouses, stock yards, power plants, cold storage plants, etc., shall not be included in the accounts of this classification unless the operation of the facilities is conducted by the railway companies in connection with furnishing transportation services.

§ 10.02–5 *Submission of questions.* To the end that uniformity of accounting may be maintained from year to year, carriers shall submit all questions of doubtful interpretation of the accounting rules to the Commission for consideration and decision.

Operating Revenues

§ 10.03 *Special instructions.*

§ 10.03–1 *Accounts for operating revenues.* The accounts provided for operating revenues are designed to show amounts of money which a carrier becomes entitled to receive from transportation and from operations incident thereto.

Credits to the revenue accounts shall as nearly as practicable be upon the basis of accruals of revenue.

Uncollected tariff charges on unclaimed and refused shipments of freight, such refused shipments having been transported in accordance with the contract of shipment, shall be charged to the appropriate revenue account to which shall be credited the proceeds derived from the sale of such unclaimed and refused freight.

The carrier's tariff charges on lost, destroyed, or damaged shipments, for which charges neither consignees nor consignors are liable, shall be charged to the revenue accounts previously credited.

Except as otherwise provided in this section, the revenue accounts shall include collections in excess of proper charges, such collections being subject to refund, and there shall be charged to the revenue accounts uncollectible revenue charges determined after the service has been rendered.

§ 10.03–2 *Interpretation of item lists.* Lists of items to be credited and of items to be charged have been given as a part of the text of this classification for the purpose of clearly indicating the application of the accounting rules. They are not to be considered as comprising all the items creditable or chargeable to the several accounts, but merely as representative of them.

The items contained in the lists of items to be charged to the respective accounts are chargeable only when such items have been, through oversight, included in the credits to the accounts, or they are items of revenue payable to others for service to be rendered in accordance with the tariff provisions applicable to the rates upon which the credits to the several accounts have been based.

§ 10.03–3 *Accruals of revenues.* In order that operating revenue accounts may as nearly as practicable include the full amount of revenues accruing to the carrier each month, the carrier shall accrue currently in the appropriate revenue and balance-sheet accounts estimates of unaudited items affecting revenues. If these estimates are not fully adjusted in the following month, the balances in the balance-sheet accounts shall be kept separately by months until each is adjusted. The carrier is not required to anticipate items which would not appreciably affect the revenue accounts.

§ 10.03–5 *Delayed items.* Cancellation of entries recorded in balance-sheet accounts relating to operating revenues of former years shall be recorded in accordance with § 10.02–3 *Delayed items.*

Revenue Accounts

Transportation

§ 10.100 *Transportation; rail line.* The primary accounts included in this general account are designed to show amounts of money which the carrier becomes entitled to receive or which accrue to its benefit from service rendered in transporting property or persons by rail line. (See § 10.02 *General instructions.*)

§ 10.101 *Freight.* This account shall include revenue from the transportation of freight and from transit, stop, and reconsigning privileges, upon the basis of lawful tariff rates.

Items to be credited

(a) Revenue upon the basis of local freight tariff rates, regardless of class of train in which the freight is transported.
(b) The carrier's proportion of revenue upon the basis of through freight tariff rates, regardless of class of train on which the freight is transported.
(c) Revenue from transportation of mail matter, and empty mail pouches, at freight tariff rates.
(d) Revenue from transportation of freight on special trains at rates based on weights of shipments.
(e) Revenue on basis of classifications and freight tariffs from transportation of caretakers of freight shipments.
(f) Revenue from reconsigning privileges.
(g) Revenue from stop privileges.
(h) Revenue from transit privileges.
(i) Revenue upon the basis of arbitraries out of freight rates for water transfers (ferriage, lighterage, and flotage).

Items to be charged

Amounts paid as bridge and ferry arbitraries on freight.
Amounts paid for completing a haul.
Amounts paid for elevation of freight.
Amounts paid for switching services, in connection with the transportation of freight, on the basis of switching tariffs, and allowances out of through rates, including amounts paid for switching empty cars in connection with a freight revenue movement.
Amounts paid for transferring freight between stations.
Arbitraries and allowances to others for lighterage and wharfage.
The carrier's proportion of overcharges resulting from the use of erroneous rates, weights, classifications or computations.
The carrier's proportion of refunds on account of errors in routing and billing.
The carrier's proportion of uncollected revenue on freight lost or destroyed in transit.
The carrier's proportion of uncollected tariff charges on damaged shipments for which charges neither shipper nor consignee is liable.

Note A: Amounts paid for switching empty cars otherwise than in connection with loaded movements shall be charged to operating expense account 411, "Other expenses," except that amounts paid for switching equipment for repairs shall be included in the appropriate equipment repair accounts.

NOTE B: Other carriers' proportion of revenue and of uncollectible undercharges paid by the carrier on account of its errors in routing and billing shall be charged to operating expense account 411, "Other expenses."

NOTE C: Other carriers' proportion of revenue paid by the carrier on freight lost, destroyed, or damaged in transit, for which neither consignees nor consignors are liable shall be charged to operating expense accounts 418, "Loss and damage—Freight."

NOTE D: When a lessee company transports freight over the tracks of another carrier on the basis of a proportion of revenues under a joint arrangement, it shall include the entire compensation in its revenues and statistics, charging the appropriate joint facility expense and rental accounts with the amounts paid the lessor company, and the lessor company shall credit the corresponding accounts.

The accounting in connection with transportation train service operated under a joint arrangement for the benefit of two or more carriers shall be as provided in the second paragraph of § 10.04–9 *Joint facility accounts.*

NOTE E: The accrued revenue derived from the transportation of cream, sweet milk, etc., on a basis of lawful tariffs at rates per package, regardless of weights, shall be included in account 109, "Milk."

NOTE F: Revenue from the transportation of caretakers of freight shipments, when not included as a part of the freight charges on the waybill covering the freight shipments, shall be credited to account 102, "Passenger."

NOTE G: This account shall be maintained so as to show separately payments and allowances (a) to railway express agencies, (b) to motor truck companies and others, and (c) to shippers and consignees, for terminal collection and delivery services when performed in connection with line haul transportation of freight on the basis of freight tariff rates; also (d) payments for switching services when performed in connection wih line haul transportation of freight on the basis of switching tariffs and allowances out of freight rates, including the switching of empty cars in connection with a revenue movement.

§ 10.102 *Passenger.* This account shall include the revenue from transportation of passengers at passenger tariff fares; from the transportation of passengers at special fares as provided by law, and from incidental charges in connection therewith.

ITEMS TO BE CREDITED

(a) Revenue from local passenger fares.
(b) The carriers' proportion of revenue from interline passenger fares.
(c) Revenue from extra fares.
(d) Revenue from additional fares or charges for exclusive use of a passenger car, drawing room, compartment, bedroom, etc.
(e) Revenue from mileage and scrip coupons honored for all services covered by this account.
(f) Revenue from transportation of passengers in special cars or on special trains when charge is based on passenger fare per capita, regardless of the number of passengers actually transported.
(g) Revenue from a guaranteed minimum amount not based on per capita fare, for transportation of passengers on special or chartered trains.
(h) Cash fare penalty collections.
(i) Unclaimed collections and deposits for transportation of passengers.
(j) Passenger fare overcharges.
(k) Revenue from transportation of corpses, based on passenger fares.
(l) Revenue from water transfers (ferriage), bride tolls, and transfers between railway stations or between railway stations and docks, received as arbitraries in division of passenger fares.

ITEMS TO BE CHARGED

(a) Amounts paid as bridge tolls, and also for ferry, depots to depot and depot to dock passenger transfer service.
(b) Amounts paid for switch in completing a passenger transportation movement.
(c) Amounts paid for switch empty passenger-train cars in connection with transportation of passengers. (See Note C.)
(d) Redemptions of unused and partially unused local tickets and redemptions of carrier's proportions of unused and partially unused interline tickets.
(e) Refund of extra fares, cash fare penalty collections, and overcharges in excess of tariff fares.
(f) Uncollectible undercharges.

NOTE A: Gross receipts from the sale of mileage tickets, and scrip books shall be credited to a suspense account. The suspense account shall be charged and this account credited with the value of coupons as honored, in connection with any of the services provided for in "Items To Be Credited."

NOTE B: When a lessee company transports passengers over the tracks of another company under a joint arrangement upon the basis of a proportion of the passenger revenue, it shall include the entire compensation in its passenger revenue and statistics, charging the appropriate joint facility expense and rental accounts with the amounts paid the lessor company and the lessor company shall credit the corresponding joint facility accounts.

The accounting in connection with transportation train service operating under a joint arrangement for the benefit of two or more carriers shall be as provided in the second paragraph of § 10.04–9 *Joint facility accounts,* and Case 297, Accounting Bulletin No. 15.

NOTE C: Amounts paid for switching empty passenger-train cars otherwise than in connection with loaded movements, shall be charged to account 411, "Other expenses," except that when switched for repairs, the amounts paid shall be included in account 317, "Passenger-train cars—Repairs."

NOTE D: Revenue from the transportation of automobiles, with or without trailers, in freight service, in connection with the transportation of passengers, also revenue from loading and unloading automobiles at point of origin, destination, or enroute, shall be credited to account 101, "Freight."

§ 10.103 *Baggage.* This account shall include the revenue from the transportation of baggage, packages, baby carriages, bicycles, household pets, dogs, etc., on passenger trains at other than freight or express tariff rates.

LIST OF ITEMS

(a) Revenue from transportation of baggage in excess of free allowances.
(b) Revenue from transportation of packages, baby carriages, bicycles, household pets, dogs, etc., at baggage tariff rates.
(c) Revenue from transportation of baggage or other articles based upon excess value.
(d) Revenue from transportation of baggage when passenger does not make corresponding trip.
(e) Revenue from excess weight of corpses based on baggage tariff charges and from special charges for transferring corpses between depots.
(f) Revenue from scrip coupons honored for any of the above-mentioned services. (See Note B.)
(g) Overcharges on baggage transactions.
(h) Revenue from transportation of emergency shipments and articles based on double gross weight, etc.
(i) Amounts received specifically to cover movement of special or chartered baggage cars including transportation of attendants regardless of whether the charge is based upon passenger tariff fares, a stated minimum, or any other basis. This includes box cars when used for baggage service.
(j) Revenue from issuing duplicate baggage checks.

NOTE A: Revenue derived from transportation of shipments of silk, fish, etc., in passenger trains at freight rates, shall be included in account 101, "Freight."

NOTE B: Amounts of refunds, uncollectible undercharges, etc., involved in these credits, shall be charged to this account.

NOTE C: Gross receipts from the sale of baggage scrip books shall be credited to a suspense account. The suspense account shall be charged and this account credited with the value of the coupons as honored for any of the services covered by this account.

§ 10.104 *Sleeping car.* This account shall include the revenue from berth and seat accommodations furnished in sleeping cars on the basis of berth or seat rates for the space occupied.

§ 10.105 *Parlor and chair car.* This account shall include the revenue from seat accommodations furnished in parlor, observation, chair, and other special passenger cars when operated in passenger-train service or in special-train service at seat rates for space occupied.

§ 10.106 *Mail.* This account shall include the revenue from the transportation of mail at established rates for specified routes; from the use of railway post-office cars when in carrier's service transporting mails; from the use of special mail facilities; and from bonuses for special mail transportation.

To this account shall be charged fines and penalties imposed by the Government when not collected from agents or employees.

NOTE: The revenue from the transpo ation of mail matter and empty mail pouches on freight trains at freight tariff rates shall be included in account 101, "Freight."

§ 10.107 *Express.* This account shall include the revenue from transportation of express matters and from use of facilities on trains and at stations incident to such transportation.

When a railway company transacts an express business through its regular railway organization, the revenue therefrom shall be credited to this account.

NOTE: When contracts for express privileges provide specific amounts for the rent of facilities at stations, such amounts shall be included in revenue account 142, "Rents of buildings and other property."

§ 10.108 *Other passenger-train.* This account shall include the revenue derived from the operation of passenger trains not provided for elsewhere.

LIST OF ITEMS

(a) The carrier's proportion of contract revenue derived from the operation over its line of sleeping, parlor, chair, observation and other special passenger-train cars, owned and operated by other companies.

(b) Value of portions of mileage tickets or coupons, scrip books or coupons, including baggage, circus and show scrip, unpresented and unredeemed.
(c) Revenue from transportation of newspapers at local tariff rates or at proportions of interline tariff rates.

§ 10.109 *Milk.* This account shall include the revenue from the transportation of cream, sweet milk, skim milk, sour milk, buttermilk, condensed milk, butterfat, and smearcase or pot cheese, upon the basis of lawful tariffs at rates per package, regardless of weights.

NOTE: The revenue from the transportation of milk upon the basis of lawful tariffs at rates per specified weights shall be included in revenue account 101, "Freight."

§ 10.110 *Switching.* This account shall include the revenue from switching service upon the basis of lawful tariff rates.

To this account shall be credited the carrier's revenue upon the basis of tariff rates, or the carrier's allowance out of through rates, from the switching of cars of all kinds, loaded or empty, either locally at a station or within a switching district, between connecting lines, between local industries, or between connecting lines and local industries; revenue upon the basis of distinct tariff rates for "trap-car" and "ferry-car" service and for spotting cars; also the revenue from interwork switching at industrial plants, and the revenue from "penalty switching" incident to the improper delivery of cars by other carriers.

To this account shall be charged amounts paid other for switching when such switching service is provided for in the switching rate charged by the carrier.

NOTE: "Penalty switching" charges paid by the carrier shall be included in expense account 411, "Other expenses."

§ 10.113 *Water transfers; freight.* This account shall include the revenue from the transfer of freight by water transfers (ferriage, lighterage, and floatage) upon the basis of lawful tariff rates for local service.

NOTE: No revenue shall be included in this account upon the basis of arbitraries out of rates for transportation involving rail line haul.

§ 10.114 *Water transfers; passenger.* This account shall include the revenue from the transfer of passengers by water transfers (ferriage) upon the basis of lawful tariff rates for local service.

NOTE: No revenue shall be included in this account upon the basis of arbitraries out of rates for transportation involving rail line conveyance.

§ 10.115 *Water transfers; vehicles and live stock.* This account shall include the revenue from the transfer by water transfers upon the basis of lawful local tariff rates, of vehicles of all classes; horses, cattle, and other animals; and Government artillery and equipment.

NOTE: No revenue shall be included in this account upon the basis of arbitraries out of rates for transportation involving rail line haul.

§ 10.116 *Water transfers; other.* This account shall include the revenue from water transfers not otherwise provided for, such as the revenue from towing beyond lighterage limits and all other towing for which an extra charge is made; insurance of freight afloat when billed out at other than cost; storage of freight afloat; grain overage in boats; pumping performed for outside parties; and from other similar sources.

To this account shall be charged amounts payable to other companies or individuals for extra lighterage, extra towing, and for all other service when such payments represent revenue collected and credited to this account and not a direct expense.

INCIDENTAL

§ 10.130 *Incidental.* The primary accounts included in this general account are designed to show the amounts which the carrier becomes entitled to receive from services rendered incidentally with rail-line and water-line transportation, for the use of facilities of which the expenses for operation and maintenance are not separable from railway expenses, and from incidental sources not provided for elsewhere.

§ 10.131 *Dining and buffet.* This account shall include the revenue from dining and buffet service on trains and transfer boats.

ITEMS TO BE CREDITED

(a) Revenue from lunches furnished.
(b) Revenue from meals furnished.
(c) Revenue from liquors furnished.
(d) Revenue from tobacco furnished.
(e) Revenue from cigars and cigarettes furnished.

§ 10.132 *Hotel and restaurant.* This account shall include the revenue from hotels, restaurants, and station lunch counters. (See § 10.02–4 *Miscellaneous operations.*)

ITEMS TO BE CREDITED

(a) Revenue from the rent of rooms.
(b) Revenue from the use of baths.
(c) Revenue from the use of billiard tables.
(d) Revenue from the use of bowling alleys.
(e) Revenue from lunches furnished.
(f) Revenue from meals furnished.
(g) Revenue from liquors furnished.
(h) Revenue from tobacco furnished.
(i) Revenue from cigars furnished.
(j) Revenue from cigarettes furnished.
(k) Revenue from newspapers furnished.
(l) Revenue from periodicals furnished.
(m) Revenue from tonsorial service.
(n) Revenue from laundry work.

NOTE: This account shall not include the revenues from hotels and restaurants which are entirely distinct from the carrier's transportation plant and the cost of which is included in balance-sheet account 705, "Miscellaneous physical property."

§ 10.133 *Station, train, and boat privileges.* This account shall include revenue from weighing, vending, and other automatic machines located at stations; from advertising at stations and on trains and on transfer boats; from the privilege of operating news stands at stations and selling papers, periodicals, fruit, etc., on trains and on transfer boats; from telephone companies for the privilege of installing and operating commercial telephones at stations; from the operation of eating houses and dining and buffet service on trains and transfer boats when such operation is conducted by individuals or companies other than railway companies and when the expenses incurred by the carrier in connection therewith are not separable from its regular operating expenses; and from similar sources.

§ 10.134 *Parcel room.* This account shall include the revenue from the operation of parcel rooms.

§ 10.135 *Storage; freight.* This account shall include the revenue from the storage of freight.

§ 10.136 *Storage; baggage.* This account shall include the revenue from the storage of baggage.

§ 10.137 *Demurrage.* This account shall include the revenue from the detention of cars incident to loading, unloading, reconsigning, and stops in transit upon the basis of lawful tariffs for demurrage.

§ 10.138 *Telegraph and telephone.* This account shall include the revenue from commercial telegraph and telephone operations; also amounts received from telegraph and telephone companies, whether as a proportion of earnings or otherwise, for the privilege of transacting a commercial telegraph or telephone business in offices along the carrier's lines, when the carrier furnishes some service of employees whose pay is included in its operating expenses.

NOTE: When a telegraph or telephone company rents the telegraph or telephone line of the carrier and pays all expenses incident to its maintenance and operation, the rent received shall be credited to income account 510, "Miscellaneous rent income."

§ 10.139 *Grain elevator.* This account shall include the revenue from the operation of grain elevators. (See § 10.02–4 *Miscellaneous operations.*)

ITEMS TO BE CREDITED

(a) Revenue from the elevation of grain.
(b) Revenue from the storage of grain.
(c) Revenue from bagging grain.
(d) Revenue from screening grain.
(e) Revenue from blowing grain.
(f) Revenue from cooling grain.
(g) Revenue from clipping grain.
(h) Revenue from cleaning grain.
(i) Revenue from mixing grain.
(j) Revenue from transferring grain in elevators.
(k) Revenue from loading grain into and unloading grain from boats not covered by elevation charges.
(l) Revenue from trimming grain in boats when performed by elevator employees.
(m) Revenue from the sale of screenings and sweepings.
(n) Revenue from inspecting grain in elevators.

§ 10.140 *Stockyard.* This account shall include the revenue from stockyards. (See § 10.02–4 *Miscellaneous operations.*)

ITEMS TO BE CREDITED

(a) Revenue from feeding livestock.
(b) Revenue from watering live stock.
(c) Revenue from bedding live stock.
(d) Revenue from otherwise caring for live stock.
(e) Revenue from shearing sheep.
(f) Revenue from dipping sheep and cattle.
(g) Revenue from stabling horses.
(h) Revenue from inspecting live stock.

§ 10.141 *Power.* This account shall include the revenue from the sale of electric current and other power. (See § 10.02–4 *Miscellaneous operations.*)

§ 10.142 *Rents of buildings and other property.* This account shall include the revenue from the exclusive use of buildings and other property or portions thereof, such as depot and station grounds and buildings, general and other offices, wharves, ferry landings, elevators, stockyards, fuel yards, enginehouses, repair shops, and section and other houses, when the property is operated and maintained in connection with the property used in the carrier's transportation operations and the expenses of maintaining and operating the rented portion cannot be separated from the expenses of that portion used by the carrier. (See § 10.02–4 *Miscellaneous operations.*)

NOTE: When the expenses of maintaining and those of operating property rented to others are separable, the rents received shall be credited and the expenses of maintenance and operation shall be charged to appropriate income accounts.

§ 10.143 *Miscellaneous.* This account shall include the revenue from railway operations not provided for elsewhere. (See § 10.02–4 *Miscellaneous operations.*)

LIST OF ITEMS

(a) Amounts received for privilege of cutting hay along the right of way.
(b) Commissions received for collecting premiums on insurance policies from employees and installment payments for books, watches, etc., sold by dealers to employees.
(c) Profit from jobbing and installing electric power lines for others.
(d) Revenue from boat demurrage.
(e) Revenue from freight and passenger privileges over a carrier's wharves and docks.
(f) Revenue from garnishee fees.
(g) Revenue from operation of coal and ore wharves, cold-storage plants, coal-storage plants, cotton-compress plants, and wood-preserving plants.
(h) Revenue from privilege of mooring and anchoring boats at wharves and docks.
(i) Revenue from the sale of cinders produced by carrier.
(j) Revenue from use of carrier's bridges by pedestrians, streetcar lines, vehicles, etc.
(k) Revenue from temporary use of carrier's tracks for detouring trains, etc.
(l) Revenue from use of tracks incident to delays in loading or removing freight.
(m) Revenue from water furnished boats from water stations operated by the carrier.
(n) Revenue from weighing cars.
(o) The carrier's proportion of gross revenue from operation of clergy bureaus.
(p) The carrier's proportion of gross revenue from operation of ticket validation agencies.
(q) Collections made by station ushers (Red Caps) for the handling of passengers' baggage.

NOTE: When a bridge of one carrier is jointly used by itself and another carrier and such use is paid for on the basis of flat rent or charge per train-mile or toll per passenger, per ton, or per car, the compensation therefor shall be credited to the appropriate joint facility, operating expenses, and income accounts.

JOINT FACILITY

§ 10.150 *Joint facility.*

§ 10.151 *Joint facility—Cr.* This account shall include the carrier's proportion of revenue collected by others in connection with the operation of joint tracks, yards, terminals, and other facilities.

NOTE A: The purpose of this account is to show the amounts of revenue from the operation of joint tracks, yards, terminals, and other facilities operated by other companies, which under existing contracts or agreements are credited by the operating company to the tenant companies which participate therein. The bill rendered by any creditor company against a debtor company for the latter's proportion of the expense of maintenance and operation of joint facilities, which includes also a credit covering a proportion of the revenue to be paid over, shall show the distribution of the credit for such proportion of the revenue separately from the distribution of the expense of operation.

NOTE B: No credits shall be made to this account representing amounts creditable by the operating company to primary accounts 101 to 109, 113 to 116, 121 to 128, 131, 132, 139, and 140.

§ 10.152 *Joint facility—Dr.* This account shall include that proportion of revenue from the operation of joint tracks, yards, terminals, and other facilities, which is creditable to other companies.

NOTE A: The purpose of this account is to show the amount of revenue from operation of a terminal company or other carrier which, under the terms of existing contracts or agreements covering the joint use of tracks, yards, and other facilities, is credited to other carriers that participate in the benefits from such joint use. The bill rendered by a creditor company against a debtor company for the latter's proportion of expense of maintaining and operating joint facilities, which includes a credit covering the debtor company's proportion of the revenues from operation of such joint facilities, shall indicate separately the proper distribution of both the revenues and the expenses included in the bill, and such distribution shall be adhered to by the debtor.

NOTE B: No debits shall be made to this account representing amounts creditable by the operating company to primary accounts 101 to 109, 113 to 116, 121 to 128, 131, 132, 139, and 140.

OPERATING EXPENSES

§ 10.04 *Special instructions.*

§ 10.04–1 *Accounts for operating expenses.* The accounts prescribed for operating expenses are designed to show expenses of furnishing transportation service including the expense of maintenance and depreciation of the plant used in the service. The account shall be, as nearly as practicable, upon the basis of accruals.

"Road property" means transportation property other than equipment.

Following the texts of the primary operating expense accounts, there are provided condensed groupings of the same accounts to be used by Class II and Class III carriers. For the purpose of these condensed classifications, Class II carriers shall be those having annual operating revenues of $100,000 to $1,000,000 and Class III those having annual operating revenues less than $100,000. Small carriers which elect to use the primary accounts for large railroads shall include in annual reports the group totals required by the condensed classifications for their class.

§ 10.04–2 *Maintenance expenses.* The accounts provided for maintenance of road property and of equipment are designed to show the cost of repairs and also the loss through depreciation of the property used in operations, including all such expenses resulting from ordinary wear and tear of service, exposure to the elements, inadequacy, obsolescence, or other depreciation, or from accident, fire, flood, or other casualty.

The cost of repairs which has been provided for in the several repair accounts shall include the cost of inspecting to determine the repairs necessary, and of adjusting or repairing parts, both of road property and of equipment, such as the repairing of locomotives, cars, frogs, switches, rails, etc.; the cost of inspecting and testing after repairs have been made, such as the testing of locomotives after repairs to determine whether the repairs have been properly made, and the running of repaired locomotives light in order to break them in for regular service; incidental costs of repairs, such as the construction or removal of false work in connection with maintenance, cost of demolishing retired road property and disposing of the wreckage therefrom when the proerty is dismantled by or for the carrier; cost of maintaining or protecting traffic during the progress of construction work, including the cost of constructing, maintaining and removing temporary tracks required for maintaining traffic during the progress of the work; cost of mowing and beautifying grounds around buildings; repairing fences, sidewalks, driveways, and streets within or adjacent to such grounds; cost of removing snow from roofs of buildings (when not removed by those employed in the buildings); cost of periodical restoration of seasonal features, such as gardens, shrubbery, and lawns; cost of operating hothouses in connection with the work of beautifying grounds; and cost of clearing and removing casual incumbrances, such as ice, snow, and fallen timber.

Distinct maintenance accounts have been provided for expenses of a general character, such as superintendence, stationery and printing, and injuries to persons, which, on account of established practice, it is deemed advisable to segregate.

§ 10.04–3 *Cost of repairs.* It is intended that the repair accounts of this classification shall include the cost of labor, materials and supplies, work-train service, floating equipment work service, special machine service, contract work, privileges, protection from casualties, and other analogous items of expense in connection with the maintenance of the plant used in railway service. The several items of cost here referred to are defined as follows:

(a) "Cost of labor" includes amounts paid for the labor of the carrier's own employees. Except where otherwise specified in the text of the accounts, the cost of boarding, traveling, and other incidental expenses of employees shall be included in the accounts to which the pay of the employees is chargeable.

(b) "Cost of materials and supplies" includes the cost of materials and supplies, including small tools, at the point of free delivery, plus freight charges of foreign lines, and the costs of inspection and loading assumed by the carrier; also

a proportion of store expenses (see § 10.04–16 *Material store expense*). It should not, however, include expenses of transportation over the carrier's line. In calculating the cost of materials used proper allowance shall be made for the value of unused portions and of cuttings, turnings, borings, etc., and for the value of the material recovered from property repaired and from temporary tracks, scaffolding, cofferdams, and other temporary structures used in repair work.

(c) "Cost of work-train service" includes cost of labor of enginemen, trainmen, and enginehouse men, including the wages of engine crews and train crews held in readiness for such service; and the cost of fuel and other supplies consumed in connection with the operation of work trains.

(d) "Cost of floating equipment work service" includes cost of labor of crews, including wages of crews held in readiness for service; and the cost of fuel and other supplies consumed in connection with the operation of floating equipment work service.

(e) "Cost of special machine service" includes the cost of labor expended and of materials and supplies consumed in operating steam shovels, scrapers, rail unloaders, ballast unloaders, pile drivers, dredges, ditchers, weed burners, and other labor-saving machines; also rents paid for use of such machines.

(f) "Cost of contract work" includes amounts paid for work performed under contract by other companies, firms, or individuals and specific expenses incident to the award of the contract.

(g) "Cost of privileges" includes amounts paid for special privileges, such as the temporary use of public property or streets, in connection with the repairs of the property of the carrier. (Periodical payments for such privileges in connection with permanent use of public property for railway operations shall be included in the income accounts.)

(h) "Cost of protection from casualties" includes expenditures for protection against damage by fire, flood, etc., such as payments for discovery or extinguishment of fires, cost of detecting and prosecuting incendiaries, expense for witnesses in relation thereto, amounts paid to municipal corporations and others for fire protection, and other analogous items of expense in connection with repair work, but does not include insurance premiums paid to assure reimbursement for prospective losses.

§ 10.04–4 *Royalties on appliances.* The royalties for patent rights on mechanical appliances used in repairs of equipment shall be included in the cost of the repairs.

§ 10.04–5 *Road property retired.* The service value (ledger value less salvage and insurance recovered, if any) of road property retired and replaced with property of like purpose, together with the cost of demolishing and removing the retired property, shall be accounted for in accordance with § 10.01–7 *Road property retired.*

§ 10.04–6 *Distribution of charges for nondepreciable road property retired.* In case the amount chargeable to operating expenses for nondepreciable property retired, as provided in § 10.01–7 *Road property retired,* is relatively large and its inclusion would seriously distort the expenses for the year, the carrier, if so authorized by the Commission, may charge the amount thereof to account 726, "Property retired chargeable to operating expenses," and distribute it thereafter in accordance with the provisions of that account to operating expenses of the current and succeeding years.

§ 10.04–7 *Adjustment for converted property.* When a unit of equipment or fixed property by its transfer from one class of service to another, with or without physical conversion, becomes includible in a primary investment account other than that in which it has been carried, the procedure outlined in § 10.01–11 *Adjustment for converted property* shall be followed.

§ 10.04–8 *Depreciation accounting; road property.* (a) There shall be charged monthly to operating expenses or other appropriate accounts and credited to account 702½C, "Accrued depreciation—Road," during the service life of depreciable road property amounts which will approximate the loss in service value not restored by current repairs or covered by insurance. The charges for currently accruing depreciation shall be computed in conformity with the group plan by applying to the original cost or the estimated original cost of the road property as found by the Bureau of Valuation such percentage rates as will distribute the service value by the straight-line method in equal annual charges to operating expenses or other accounts during the estimated life of the property. Pending the compilation of the original cost figures to a current date by the Bureau of Valuation, the carrier shall use as a depreciation base that bureau's figures as far as they have been summarized and add thereto the cost for the subsequent years as recorded in its Order No. 3 records and accounts. Such adjustment of original cost figures as may be necessary after the original cost figures have been summarized by the Bureau of Valuation to a current date shall be made at that time.

NOTE: If a carrier submits proof that the actual cost to it of the depreciable road property which it owns or the actual cost to the owner of the depreciable road property which it uses and for which depreciation accounting is required, was substantially different from the original cost figures of the Bureau of Valuation, with the approval of the Commission, such carrier may use such actual cost figures as the depreciation base.

(b) As soon as the information can be assembled the carrier shall file with the Commission composite annual percentage rates estimated to be applicable to the original cost or estimated original cost of the property in each primary account covering depreciable road property owned or used by it. These percentage rates shall be based on the estimated service values and service lives of the road property developed by a study of the carrier's history and experience and such engineering and other information as may be available with respect to future conditions. Such percentage rates shall, for each primary account comprised of more than one class of road property, produce a charge for depreciation based on the original cost or estimated original cost of the depreciable property included in such account equal to the sum of the amounts that would otherwise be chargeable as depreciation for each of the various classes of property included in such account. The annual percentage rates when filed shall be accompanied by a sworn statement showing the bases therefor and the methods employed in their computation.

(c) The carrier shall keep such records of depreciable property and property retirements as will reflect the service life of property which has been retired, or will permit the determination of service life indications by mortality, turnover, or other appropriate methods; also such records as will reflect the percentage of value of the salvage for property retired from each class of depreciable property. The carrier shall be prepared at any time, upon direction of the Commission, to compute and submit for its approval revised percentage rates in cases where existing rates are deemed inapplicable.

(d) A separate composite annual percentage rate for each account covering depreciable property shall be used in computing depreciation charges. Such composite rates shall be those which are from time to time prescribed by the Commission except, that where no rates for any class of property have previously been prescribed for the carrier's use by the Commission, the carrier's estimate of composite annual percentage rates computed in accordance with paragraph (b) of this instruction shall be used prior to the date such rates are prescribed by the Commission.

NOTE: Until such time as the carrier's estimates of composite annual percentage rates have been computed, the carrier shall base its depreciation charges upon the percentage rates obtained from the Bureau of Valuation which is prepared to furnish such rates upon request.

(e) In computing monthly charges the annual percentage rates shall be applied to the depreciation base as of the first of each month and the result divided by twelve.

(f) In the event annual percentage rates prescribed by the Commission, in the judgment of the carrier, become no longer currently applicable, it shall in like manner file revised annual percentage rates which in its judgment should be established. Where property is acquired for which no rates have been prescribed the carrier shall immediately compile and submit to the Commission appropriate estimates developed in accordance with the provisions of paragraph (b) of this instruction.

(g) For the purpose of the group plan of depreciation accounting for road property the following primary accounts under § 10.0 *Road,* are classed as depreciable accounts:

1. Engineering (as appropriately assigned, but not distributed, to the other depreciable accounts in arriving at the amounts used as the depreciation base).

2½. Other right-of-way expenditures.

3. Grading (depreciable property recorded in this account).
5. Tunnels and subways.
6. Bridges, trestles and culverts.
7. Elevated structures.
13. Fences, snowsheds, and signs.
16. Station and office buildings.
17. Roadway buildings.
18. Water stations.
19. Fuel stations.
20. Shops and enginehouses.
21. Grain elevators.
22. Storage warehouses.
23. Wharves and docks.
24. Coal and ore wharves.
26. Telegraph and telephone lines.
27. Signals and interlockers.
29. Power plants.
31. Power-transmission systems.
35. Miscellaneous structures.
37. Roadway machines.
39. Public improvements—construction.
44. Shop machinery.
45. Power-plant machinery.

NOTE: With respect to accounts 2½, 3, 5, and 39, carriers may confine the accruals to the depreciable property recorded therein by applying the percentage rates furnished by the Bureau of Valuation to the aggregate cost of such property (omitting nondepreciable property), in computing depreciation charges, or they may request the Bureau of Accounts to prescribe percentage rates covering obsolescence due to the premature retirement of certain nondepreciable property, in which case the composite percentage rates will be applied to the total amount recorded in each of the accounts in computing depreciation charges.

(h) The accounting for depreciation on road property leased from others shall be in accordance with § 10.05–2 *Leased road and equipment; depreciation.* The depreciation on road property includible in operating expenses by the lessee under that instruction shall be computed and stated under the group plan in accordance with the foregoing instructions pertaining to the carrier's own road property.

(i) The term "group plan" means the plan under which depreciation charges are accrued upon the basis of the original cost of depreciable road property for each primary road account using the service lives of the individual depreciable units in the accounts and properly weighting to determine the composite annual rate of depreciation. Upon the retirement of a unit of property, its full service value is chargeable to account 702½C, "Accrued depreciation—Road," whether or not the particular item has attained the average service life.

(j) The owning carrier shall include in the depreciation accounts in operating expenses the charges for depreciation on units of depreciable property jointly used with one or more other carriers. The owning carrier shall credit and each using carrier shall charge the appropriate joint facility accounts in operating expenses with the amounts billed by the owning carrier against each using carrier for its proportion of the service loss on property retired from service whether billed currently as depreciation or when retirements occur as the loss in service value. The using carriers shall be required to account for depreciation or retirement of units of road property jointly used but not owned only to the extent of their contract liability. The same principle shall apply to terminal companies and their nonowner tenants in accounting for depreciation accruals or retirement charges recorded in the accounts of the terminal companies.

(k) If the cause of the retirement of the unit or units of road property is not a recognized factor in depreciation and the loss is not covered by insurance, the carrier may upon proof that the charge will result in unduly depleting the depreciation reserve, and with the approval of the Commission, charge all or a part of the service value of the property, less the estimated depreciation accrued thereon, to account 726, "Property retired chargeable to operating expenses," and distribute it from that account to account 267, "Retirements—Road."

§ 10.04–9 *Joint facility accounts.* Accounts thus designated have been provided for the joint users of tracks, bridges, yards, wharves, stations, and other facilities to indicate the proper accounting for settlements which cover income and operating expenses in connection with the use of such facilities, and for settlement covering cost of yard service. When the compensation for the use of facilities is a fixed amount or is based upon a charge per passenger, ton, car, or other unit, it shall be fairly apportioned by the operating company among the joint facility operating expense and income accounts. The creditor shall show the distribution of these charges upon its bills, and such distribution shall be adhered to by the debtor.

Train service in connection with the line haul of traffic, including that operated under a joint arrangement for the benefit of two or more carriers is not considered a joint facility operation and the settlements between carriers covering items chargeable to accounts 392 to 403, inclusive, shall not be included in the joint facility accounts.

§ 10.04–10 *Clearing accounts.* In recognition of the fact that certain expenditures incident to the construction and the operation of property are not chargeable directly to any particular property investment or expense account, clearing accounts have been provided for the purpose of securing an equitable distribution of such items to the proper primary accounts, as hereinafter set forth.

§ 10.04–11 *Gravel and sand pits and quarries.* When a gravel or sand pit or quarry is opened for operations likely to extend over a long period, an account shall be set up designated "Operations of gravel pit at _____," or "Operations of quarry at _____," as the case may be. To this account shall be charged:

(a) That part of the cost of the land in excess of its estimated value after the gravel, sand, or stone has been removed, the amount thus charged being concurrently credited to the property account in which the cost of the land is included.

(b) Amounts paid for the right to enter upon and remove ballast from land not owned by the carrier.

(c) The cost of sinking test holes.

(d) The expenses for clearing, stripping, draining, and ditching the land, and of moving and changing fences and buildings preparatory to opening the pit or quarry.

(e) The cost, in excess of the estimated salvage value, of rails and fastenings used in constructing tracks to and in the gravel pit or quarry, the estimated salvage being carried in an appropriate suspense account.

(f) The cost, in excess of the estimated salvage value, of ties and other material, and of labor expended on such tracks.

(g) The cost of labor and train service employed in producing, quarrying, and loading ballast, including the cost of operation, repairs, and depreciation of stationary engines, steam shovels, stone crushers, and other similar machinery, and the pay and expenses of watchmen.

(h) The cost of explosives and hand tools, and miscellaneous expenses.

(i) The cost of installing, operating, and maintaining signals and interlockers at gravel pits.

Credit to these accounts shall be made each month to cover the cost of ballast material produced during the month. The cost of production shall include the expenses directly assignable to the monthly output, plus a proportion of the expenses not directly assignable, such as cost of land, tracks, machinery, and interlockers. This latter amount shall be computed upon the basis of the ratio which the monthly output bears to the total estimated yardage to be taken from the pit.

When any portion of the product of such pits or quarries is sold, the cost thereof shall be credited to this clearing account, and the profit thereon, if any, shall be credited to revenue account 143, "Miscellaneous."

§ 10.04–12 *Power plant operations.* The accounting for the expenses of maintaining and operating an electric, steam, or other power plant (both building and machinery) shall be determined by the purpose for which the power produced is used.

When the power plant is intended and used for producing power solely for the carrier's own operations and the cost of operating the plant is chargeable to clearing account "Shop expenses," or to any one specific account for operating expenses the expenses of maintenance shall be charged to the appropriate maintenance accounts, and the cost of operation to the account appropriate according to the use of the power.

When the power from such a plant is properly chargeable to more than one account, the expenses of maintaining and operating the plant shall be included in clearing account "Power plant operations." The expense of maintenance shall be cleared from that account to the appropriate maintenance accounts for operating expenses. The expenses of operation shall be apportioned to the appropriate accounts upon the basis of quantity of power used for the various purposes.

When a part of the power produced by a power plant is sold and the remainder is used in the carrier's own operations, the cost of maintaining and operating the plant shall be charged to a clearing account. The expense of main-

tenance shall be cleared from that account to the appropriate maintenance account in operating expenses. The proportion of the expenses of operation assignable to the power sold, on the basis of ratio of quantity of power sold to total quantity of power produced, shall be credited to this clearing account and charged to account 445, "Producing power sold." The remainder of the cost of operation shall be distributed to the appropriate expense accounts for the carrier's own operations, in the manner indicated in the preceding paragraphs.

When power plants are intended and used solely for furnishing power to others, the investment therein shall be included in balance sheet account 705, "Miscellaneous physical property," and the operation shall not be included in the accounts of this classification. (See § 10.02–4 *Miscellaneous operations* and income account 534, "Expenses of miscellaneous operations.")

§ 10.04–14 *Maintaining transmission and distribution systems.* The accounting for the maintenance of transmission systems and distribution systems shall be in accordance with instructions pertaining to power plant operations.

§ 10.04–15 *Shop expenses.* A clearing account entitled "Shop expenses" shall be kept, to which shall be charged items of expense at shops, enginehouses, repair tracks, and other places at which mechanical work is done, not assignable, directly to specific accounts. Such expenses shall be apportioned among the various accounts affected. The basis of distribution shall be the relative proportion which the total amount of charges to "Shop expenses" bears to the total of the directly distributed labor. To avoid monthly fluctuations in the ratio of shop expenses to the total of distributed labor, carriers are permitted to make the monthly apportionment on the basis of a percentage of the distributed labor, provided the shop expense account be adjusted and closed out at the end of each year. The expenses assignable to this account are as follows:

(a) *General shop employees.* The pay of general foremen in small shops, who exercise direct supervision over all departments unassisted by department foremen; the pay of department foremen, assistant department foremen, other supervising or directing employees, and their clerks; pay of chauffeurs and oilers; pay of sweepers, cleaners, roustabouts, and other unskilled laborers employed in general work in and about shops and shop grounds; pay of watchmen, gatekeepers, and policemen at shops, repair tracks, and other places at which mechanical work is done; pay of employees while attending fires or fire drills; and pay of employees while making, repairing, or having charge of small shop tools.

(b) *Power.* The cost of fuel used in steam and other power plants in producing power for shops and for other places at which mechanical work is done; cost of oil, grease, waste, and other material used in the operation of such power plants; pay of stationary engineers, firemen, electricians, coal handlers, and other employees engaged in production of power; cost of carbon brushes, fuses, lamps, picks, pokers, scuttles, shovels, and other small tools and supplies; and cost of water and power purchased. (See § 10.04–12 *Power plant operations.*)

(c) *Heating.* The cost of fuel and other supplies used for heating shops and other places at which mechanical work is done, shop offices, watchmen's and gatekeepers' boxes, and inspectors' shanties; and the pay of firemen, coal handlers, and other employees engaged in operating heating boilers. (See § 10.04–12 *Power plant operations.*)

(d) *Lighting.* The cost of electric current, gas, oil, torches, lamp burners, lamp chimneys, lamps not permanently attached to buildings, incandescent lamps and carbons, and other material used in lighting shops and shop offices, repair tracks, and other places at which mechanical work is done, and cost of material used and labor expended in operating electric-light plants and repairing electric-light and other lamps at shops. (See § 10.04–12 *Power plant operations.*)

(e) *Switching locomotives.* All expenses, including wages, fuel, and supplies, of operating switching locomotives when exclusively assigned to switching service at shops. (The expenses of incidental switching at shops by locomotives in transportation switching service shall be charged to appropriate transportation accounts.)

(f) *Shop supplies.* Fuel for forge and other shop work; supplies and small tools used by mechanics on miscellaneous work and not durable; test-room and laboratory supplies used in connection with shop work; lubricating material for shop machinery and tools; water used at shops and shop offices, repair tracks, and other places at which mechanical work is done; and other supplies used generally in shop work.

LIST OF SUPPLIES AND SMALL TOOLS

Acid.
Adzes.
Ammonia.
Auger bits.
Augers.
Axes.
Basins.
Bath brick.
Battery brushes.
Beeswax.
Bell cord.
Bluestone.
Bone, granulated.
Borax.
Bottles.
Braces and bits.
Brooms.
Brushes, dust.
Brushes, file.
Brushes, oil.
Brushes, paint.
Brushes, scrub.
Brushes, sweeping.
Brushes, varnish.
Brushes, wall.
Brushes, whitewash.
Brushes, window.
Buckets.
Carpenter tools furnished apprentices.
Casehardening compound.
Cement, belt.
Chalk.
Chalk lines.
Chamois skins.
Charcoal.
Chisels.
Clamps, hand.
Coal picks.
Compound for B. S. hammers.
Compound for grinding.
Compound for hydraulic jacks.
Compound for welding.
Corks.
Cosmic to prevent rust.
Crayon.
Cups, tin.
Cushion beaters.
Dippers.
Disinfectants.
Ditching lines.
Drill bits.
Drinking cups.
Drinking glasses.
Dustpans.
Emery.
Emery boxes.
Emery cloth.
Emery paper.
Faucets.
File cards.
Files.
Fire hooks for stationary boilers.
Fire shovels for stationary boilers.
Flags.
Flannel, canton.
Forks.
Forks, coke.
Funnels.
Gimlets.
Glue.
Gluepots.
Glycerin.
Graphite.
Grindstones.
Ground glass.
Hack-saw blades.
Hammers.
Hammers, babbitt.
Hand leathers.
Handles for tools.
Hatchets.
Hoes.
Keel.
Lampblack.
Lead.
Lye.
Mallets.
Marking brushes.
Marking pots.
Measures, liquid.
Mineral paste.
Mop handles.
Mops.
Muslin.
Nippers.
Oil cans.
Oilstones.
Padlocks.
Paint pots.
Picks.
Pipe-joint grease.
Pliers.
Plumbago.
Polish.
Polish, stove.
Potash.
Prisms.
Rakes.
Rasps.
Ratchet braces.
Red lead.
Resin.
Rope.
Rules.
Sal ammoniac.
Sand soap.
Sandpaper.
Saw blades.
Saws, hand.
Scoops.
Screw drivers.
Screws.
Shellac.
Shovels.
Slate pencils.
Slates.
Sledges.
Soap.
Soda.
Solder.
Soldering fluid.
Spelter solder.
Spigots for oil barrels.
Spirit-level vials.
Spirit levels.
Sponges.
Sprinkling cans.
Squares.
Squirts (lubricating).
Stencil brushes.
Tacks.
Tape lines.
Tapes, metallic.
Tool steel for small hand tools.
Tripoli.
Trucks.
Twine.
Washbasins.
Wheelbarrows.
Whetstones.
White lead.
Whiting.
Window cloths.
Wire.
Wire brushes.
Wrenches.
Zinc cakes.
Zincs.

(g) *Incidental expenses.* Watchmen's uniforms, clocks, and call boxes; traveling expenses connected with the operation of shops and not directly chargeable to other accounts; removal of snow and ice from transfer tables and shop yards; cleaning of privy vaults; horse keep; cost of ice for shops; and other undistributed shop expenses.

§ 10.04–16 *Material store expenses.* To a clearing account called "Material store expenses" shall be charged expenses in connection with purchasing, handling and storing material in and distributing it from the company's storehouses, including the pay of officers and employees in the purchasing and store departments and their traveling, office, and other expenses; also all expenses, including wages, fuel, and supplies, of operating switching locomotives when exclusively assigned to the service of switching at material storehouses. (Expenses of incidental switching at material yards by locomotives in regular switching service shall be charged to the appropriate transportation accounts.) The pay and expenses of men employed in purchasing or inspecting a single class of material, such as ties, shall be added as store expenses to the cost of that particular material.

The total amount of storehouse expense charged to this account shall be so distributed among the accounts to which material has been charged that the amounts thus distributed will be, for each account, in proportion to the value of the material issued chargeable there-

to, except that the amount representing the purchasing department expenses shall be apportioned on the value of the material issued which was purchased by that department. To avoid monthly fluctuations in the ratio of store expenses to the value of material purchased or issued, carriers may make monthly apportionment on the basis of fair percentage rates, provided the store expense account be adjusted and closed out at the end of each year.

§ 10.04–17 *Stationery store expenses.* A clearing account entitled "Stationery store expenses" shall be kept, to which shall be charged expenses in connection with purchasing, handling, and storing stationery, and for distributing it from the stationery stores, including the pay of officers and employees in the stationery store department and their traveling, office, and other expenses. The amounts charged to this account shall be apportioned to the accounts to which is charged stationery issued from the store, upon the basis of the charges to these accounts for such stationery. To avoid monthly fluctuations in the ratio of store expenses to the value of material issued or purchased, carriers may make a monthly apportionment on the basis of fair percentage rates, provided the stationery store expense account be adjusted and closed out at the end of each year.

§ 10.04–18 *Insurance.* Provision has been made in each of the general accounts for premiums paid and amounts set aside for fire and other insurance. Amounts of insurance recovered on account of losses shall be credited to the accounts to which the losses are chargeable.

§ 10.04–19 *Equalization of maintenance expenses.* The cost of maintaining way and structures and equipment shall be included in the appropriate primary accounts in the month in which the expense is incurred. In case the carrier adopts a budget or estimate for all or a part of the calendar year of expenses includible in one or more primary maintenance accounts or for the general accounts 200, "Maintenance of way and structures," and 300, "Maintenance of equipment," an equitable monthly proportion of the difference between the budgeted or estimated expenses and the actual expenses chargeable each month may be debited or credited as appropriate to account 280, "Equalization—Way and structures," or account 338, "Equalization—Equipment," with contra entries in account 773½, "Equalization reserves." If certain primary accounts only are budgeted the carrier's records shall show for amounts included in the equalization accounts the amount of the equalization assignable to each such primary account.

Amounts included in account 773½, "Equalization reserves," in accordance with the foregoing paragraph, shall be cleared therefrom at the close of each calendar year through the equalization accounts originally charged or credited. (See § 10.04–25 *Deferred maintenance, and major repairs to equipment.*)

§ 10.04–20 *Accruals of expenses.* In order that operating expense accounts may as nearly as practicable include the full amount of expenses incurred by the carrier each month, the carrier shall accrue currently in the appropriate expense and balance-sheet accounts estimates of unaudited items affecting expenses. If these estimates are not fully adjusted in the following month, the balances in the balance-sheet accounts shall be kept separately by months until each is adjusted. The carrier is not required to anticipate items which would not appreciably affect the expense accounts.

§ 10.04–22 *Interpretation of item lists.* Lists of "items," "details," etc., have been given as a part of this classification for the purpose of clearly indicating the application of the accounting rules in specific cases. The lists in every case are to be considered as merely representative and not as excluding from any account analogous items which happen to be omitted from the list appended. On the other hand, the appearance of an item in a list warrants the inclusion of such item in the account concerned only when the text of the account also indicates inclusion, inasmuch as the same item frequently appears in more than one list—for example, the item of blank books under accounts 276, 334, 358, 410, and 458—and the proper charge in any one instance must be determined by the text of the account.

§ 10.04–23 *Delayed items.* Cancellation of entries recorded in balance-sheet accounts relating to operating expenses of former years shall be recorded in accordance with § 10.02–3 *Delayed items.*

§ 10.04–24 *Depreciation accounting; equipment.* The accounting for depreciation of equipment shall be in accordance with the following:

(a) There shall be currently charged to operating expenses, and other accounts and credited to account 702½D, "Accrued depreciation—Equipment," during the service life of equipment, amounts which will approximate the loss in service value not restored by current repairs or covered by insurance. These charges for currently accruing depreciation shall be computed at such percentage rate of the ledger value of the equipment that the service value may be distributed under the straight-line method in equal annual charges to operating expenses and other accounts during the estimated service life of the equipment.

(b) All depreciation charges to operating expenses, and other accounts and concurrent credits to account 702½D, "Accrued depreciation — Equipment," shall be made monthly in conformity with the group plan of accounting for depreciation. The term "group plan" as applied to equipment depreciation accounting means the plan under which "depreciation" charges are accrued upon the basis of the ledger value of the property included in each equipment primary account (51 to 54 and 56 to 58, all inclusive), using the average service life thereof properly weighted and, upon the retirement of any unit of such property, its full service value is charged to account 702½D, "Accrued depreciation—Equipment," whether or not the particular item has attained the estimated average service life. In determining such monthly charges and credits the annual percentage rates shall be applied to the ledger value, as of the first of each month, of the respective primary equipment accounts and the result divided by 12.

(c) For purposes of analysis the carrier shall maintain subsidiary records in which the reserve is broken down into component parts corresponding to each equipment primary account (51 to 54 and 56 to 58, all inclusive) showing in these records also in complete detail by each such primary account the current credits and debits to the reserve. Such detailed information shall be reported annually to this Commission.

(d) In determining monthly depreciation charges to operating expense, and other accounts, and the corresponding credits to the depreciation reserve, the annual percentage rates applied to the ledger value of the property included in each primary equipment account (51 to 54 and 56 to 58, all inclusive) shall be those which are prescribed from time to time by this Commission, except that where no rates previously have been prescribed, the carrier's estimate of the annual percentage rates computed in accordance with this instruction shall be used.

(e) The carrier shall keep such records of equipment retirements, as will reflect the service lives and value of salvage of each class of equipment; shall maintain in convenient and accessible form engineering and other data bearing on prospective service lives; and shall be prepared at any time upon direction of this Commission to compute and submit for its approval, new percentage rates to take the place of those based on service lives or value of salvage found to be inaccurate.

(f) If the cause of retirement of a unit of equipment is not a recognized factor in depreciation but is a cause against which the carrier is insured the depreciation reserve shall be credited with the full amount of the insurance recovered. If the cause is not a recognized factor in depreciation and the loss is not covered by insurance the carrier may upon proof that the charge will result in unduly depleting the depreciation reserve and with the approval of this Commission charge all or a part of the service value of the unit to account 726, "Property retired chargeable to operating expenses," and distribute it from that account to account 330, "Retirements—Equipment."

(g) For the purpose of the group plan of depreciation accounting for equipment, the following primary accounts under account 50, "Equipment," are classed as depreciable accounts:

51. Steam locomotives.
52. Other locomotives.
53. Freight-train cars.
54. Passenger-train cars.
56. Floating equipment.
57. Work equipment.
58. Miscellaneous equipment.

(h) The accounting for the depreciadistribute it from that account to accordance with § 10.05–2 *Leased road and equipment; depreciation.* The depreciation on equipment includible in operating expenses by the lessee under that instruction shall be stated under the

group plan in accordance with the foregoing instructions pertaining to the carrier's owned equipment.

§ 10.04–25 *Deferred maintenance, and major repairs to equipment.* When so authorized by the Commission there may be included each month in account 268, "Deferred maintenance—Way and structures"; account 339, "Deferred maintenance—Equipment"; and account 340, "Major repairs—Equipment"; an equitable proportion of the amount estimated as necessary (a) to provide for the cost of repairs which the carrier finds it is unable to undertake or complete during any calendar year due to non-receipt of material and supplies because of priorities regulations or due to adverse labor conditions; (b) also in anticipation of major repairs to equipment when such repairs are made at intervals of several years. The amounts included in these accounts shall be concurrently credited to account 774, "Maintenance reserves." The cost of such repairs when made shall be charged according to the repairs to the appropriate primary accounts under maintenance of way and structures and maintenance of equipment, and to the extent that provision has been made for such repairs, amounts included in account 774, "Maintenance reserves", shall be cleared therefrom through the accounts originally charged. The carrier in its application to the Commission shall give full particulars concerning the nature of the repair work specifically provided for in this section, and an estimate by primary accounts of the cost of such repairs.

Expense Accounts

Maintenance of Roadway

§ 10.200 *Maintenance of way and structures.* The primary accounts included in this general account are designed to show the expenses of maintaining road property devoted to railway operations, with the exception of shop machinery, power plant machinery, and power plant apparatus, the expenses of maintaining which are includible in general account 300, "Maintenance of equipment."

The accounts for maintenance of way and structures shall be kept in such manner as to show separately, by primary accounts, the expenses directly assignable to sleeping car operations, dining and buffet service, hotels and restaurants, grain elevators, stockyards, producing power sold, and other miscellaneous operations.

§ 10.201 *Superintendence.* This account shall include:

(a) *Pay of officers.* The pay of officers directly in charge of or engaged in the maintenance of roadway and structures.

LIST OF OFFICERS

Vice president.
Assistant vice president.
General manager.
Assistant general manager.
General superintendent.
Assistant general superintendent.
Chief engineer.
Engineer.
Division engineer.
Bridge engineer.
Chief signal engineer.
Assistant engineers.
Architect.
Roadmaster.
Assistant roadmaster.
Master carpenter.
Assistant master carpenter.
Master mason.
Superintendent of roadway structures.
Superintendent of scales.
Inspector of maintenance.
Building inspector.
Inspector of roadway stores.
Supervisor.
Assistant supervisor.
Fire chief.
Fire inspector.
Sanitary inspector.

(b) *Pay of clerks and attendants.* The pay of clerks and other employees in the offices and on the business cars of officers whose pay is chargeable to this account.

LIST OF EMPLOYEES

Chief clerk.
Draftsmen.
Clerks.
Stenographers.
Transitmen.
Levelmen.
Rodmen.
Chainmen.
Axmen.
Janitors.
Messengers.
Cooks.
Porters.

(c) *Office and other expenses.* Office expenses and other expenses of officers and employees whose pay is chargeable to this account; also amounts paid detective agencies and others for investigations in connection with maintenance of way and structures.

ITEMS OF EXPENSE AND SUPPLIES

Atlases and maps.
Books for office use.
Business car service.
Fees and dues in associations.
Furniture repairs and renewals.
Heating.
Lighting.
Official train service.
Periodicals and newspapers.
Power.
Provisions for business cars.
Rent of offices.
Repairs of rented offices.
Telegraph service.
Telephone service.
Traveling expenses.
Water and ice.

SUPPLIES FOR TECHNICAL ASSISTANTS

Barometers.
Books and maps.
Boxes for materials and instruments.
Cameras.
Camp equipage.
Chains for surveyors.
Compasses.
Curves.
Drafting boards.
Drafting instruments.
Field glasses.
Field notebooks.
Hatchets.
Levels.
Magnets.
Magnifiers.
Marking chalk.
Oilstones.
Paper, blue-print.
Parallel rules.
Photographic supplies.
Plane tables.
Planimeters.
Plummets.
Protractors.
Ranging poles.
Reading glasses.
Rods for surveyors.
Scales.
Section liners.
Sextants.
Slide rules.
Stakes.
Straightedges.
Tally registers.
Tape lines.
Tee-squares.
Telescopes.
Thermometers.
Thumb tacks.
Tracing linens.
Transits.
Traverse tables.
Triangles.
Tripods.
Verniers.

NOTE A: When employees designated above are specifically assigned to construction work, their pay and expenses while thus employed shall be charged to the work upon which engaged. (See § 10.01–4 *Cost of construction.*)

NOTE B: When officers designated above have supervision over more than one department, their salaries, the pay of their clerks and attendants and their office and other expenses shall be apportioned equitably among the departments over which they have jurisdiction.

NOTE C: No part of the pay and expenses of the officers and employees designated above shall be charged to other primary accounts under account 200, "Maintenance of way and structures."

NOTE D: The cost of stationery for maintenance of way and structures offices is chargeable to account 276, "Stationery and printing."

§ 10.202 *Roadway maintenance.* This account shall include:

(a) *Care of roadbed.* The cost of repairing roadbed.

ITEMS OF ROADWAY EXPENSE

Blasting rocks.
Building temporary tracks around slides and washouts.
Constructing and cleaning tile ditches, open ditches, and drains.
Crowning track ties with retaining earth.
Filling borrow and cattle pits.
Keeping tracks clear and repairing sub-grade in case of washouts.
Landscape gardening along roadway.
Oiling roadbed.
Removing temporary tracks around slides and washouts.
Repairing roadbed damaged by washouts.
Removing dangerous rocks.
Removing slides.
Restoring roadbed, cuts, fills, and embankments to standard width.
Sloping cuts.
Sodding roadway.

NOTE A: The cost of drains or sewers laid under tracks shall be included in account 208, "Bridges, trestles, and culverts." The cost of landscape gardening within the limits of the grounds around buildings shall be included in the appropriate repair accounts for buildings.

(b) *General cleaning.* The cost of cutting, removing, and disposing of brush, grass, and weeds from the right of way; plowing and digging fireguards; dressing ballast and cutting sod lines; removing miscellaneous scrap, drift, cinders, dirt, and other material from right of way and from road and terminal tracks (including tracks at stations, engine yards, and car yards); and cleaning streets used as roadways.

NOTE B: Loading ashes at engine-yard tracks shall be charged to the engine-house expense accounts.

(c) *Watching roadway.* The cost of extinguishing fires on right of way and adjacent thereto, and of walking, watching, and patrolling tracks and right of way.

NOTE C: The cost of watching and patrolling bridges, buildings, and miscellaneous property is provided for in accounts specifically relating to such property.

(d) *Bank protection.* Cost of protecting banks by repairing retaining walls, riprap, piling, piers, dikes, breakwaters, and revetments, and by changing the channels of streams to prevent cutting, washing, and sliding of embankments.

(e) *Train service.* The cost of work-train service in connection with work pertaining to roadway maintenance.

(f) *Track changes.* The cost of roadway work in connection with taking up and relocating tracks.

(g) *Other expenses.* The cost of roadway work not provided for elsewhere, such as official roadway inspection train service and premiums in connection with roadway maintenance.

NOTE D: Tools and supplies used by repair men and watchmen in roadway maintenance service shall be charged to account 271, "Small tools and supplies."

§ 10.206 *Tunnels and subways.* This account shall include the cost of repairing, ventilating, lighting, and watching tunnels and subways for the passage of trains, and the cost of special tools and supplies furnished in connection with the work.

NOTE: The cost of repairs to signals and to roadway and tracks in tunnels shall be charged to the appropriate maintenance of way accounts and not to this account.

§ 10.208 *Bridges, trestles, and culverts.* This account shall include the cost of repairing (including fuel and supplies used) and watching bridges, trestles, and culverts, including altering and bracing during process of filling, dredging and cleaning water channels for protection, and cleaning culverts.

The bridges, trestles, and culverts referred to in this account include only structures which carry the carrier's own tracks.

DETAILS OF BRIDGE STRUCTURES

Abutments.
Bridge signs.
Cofferdams.
Concrete and masonry ends for culverts.
Cribs.
Decking, including gravel for fire protection.
Dike protection.
Drainage systems.
Draw protection.
Drawbridge engines and machinery.
False work.
Guard timbers.
Ice breakers.
Painting.
Pier protection.
Piers and foundations.
Pipe culverts.
Retaining walls.
Riprap around abutments.
Riprap at culvert ends.
Supports.
Water channels.
Waterproofing.
Wing dams.
Wing walls.

NOTE: When a part of the entire structure of a bridge or trestle is converted, by filling into an earth embankment, the ledger value of the structure, or of the portion thereof filled, shall be credited to road and equipment account 6, "Bridges, trestles, and culverts." In case the bridge is used in lieu of a temporary trestle for the purpose of filling, the estimated cost of such a temporary trestle shall be charged to road and equipment account 3, "Grading." The ledger value of the structure, or portion thereof, filled, less the value of the salvage and the estimated cost of trestle charged to road and equipment account 3, "Grading," shall be charged to account 702½C.

§ 10.210 *Elevated structures.* This account shall include the cost of repairing elevated structures and foundations of elevated railway systems.

§ 10.212 *Ties.* This account shall include the cost of cross, switch, bridge, and other track ties used in the repairs of tracks.

NOTE A: The cost of labor for unloading, distributing, and putting ties in tracks, the cost of work-train service in connection with the distribution of the ties laid, and the cost of picking up and concentrating or disposing of the ties released shall be charged to account 220, "Track laying and surfacing."

NOTE B: The excess cost of metal ties applied in place of wooden ties over the cost at current prices of replacing in kind the wooden ties removed shall be charged to road and equipment account 8, "Ties."

NOTE C: The cost of ties used for repairs of tracks in quarries and ballast pits shall be included in the appropriate clearing, accounts, and of ties used for repairs of tracks on car floats in account 323, "Floating equipment—Repairs."

§ 10.214 *Rails.* This account shall include the cost (less salvage) of rails used in the repairs of tracks; also the cost (at current prices at time of removal) of the excess in weight of heavy rails removed and lighter rails applied in repairs of tracks.

NOTE A: The cost of labor for unloading, distributing, and putting rails in tracks, the cost of work-train service in connection with the distribution of the rails laid, and the cost of picking up and concentrating the rails released shall be charged to account 220, "Track laying and surfacing."

NOTE B: The cost of the excess weight of heavier rails applied in repairs of tracks in replacement of lighter rails shall be included in account 9, "Rails."

NOTE C: The cost of rails used for repairs of tracks in quarries and ballast pits shall be included in the appropriate clearing accounts, and of rails used for repairs of tracks on car floats to account 323, "Floating equipment—Repairs."

§ 10.216 *Other track material.* This account shall include the cost (less salvage) of all track material used in the repairs of tracks, other than ballast, ties, and rails.

ITEMS OF OTHER TRACK MATERIAL

Angle bars.
Anticreepers.
Connecting rods.
Derails.
Frog and guard-rail blocking.
Frogs.
Guard-rail clamps.
Guard-rail fasteners.
Guard rails.
Main rods.
Nut locks.
Nuts.
Offset bars.
Rail braces.
Rail chairs.
Rail clips.
Rail joints.
Rail rests.
Rail shims.
Rail splices.
Splice bars.
Step chairs.
Switch chairs.
Switch crossings.
Switch lamps.
Switch locks and keys.
Switch points.
Switch stands.
Switch-stand bolts.
Switch targets.
Switches.
Tie plates.
Tie plugs.
Tie-rods.
Track bolts.
Track insulators.
Track spikes.

NOTE A: The cost of labor and train service for distributing, unloading, and applying "other track material" used, and the cost of picking up and concentrating the material released shall be charged to account 220, "Track laying and surfacing."

NOTE B: The excess cost of improved or heavier track material applied for repairs of tracks, under a definite plan of changing standards, over the cost, at current prices, of material of the same weight and quality as that released, shall be charged to road and equipment account 10, "Other track material."

NOTE C: The cost of "other track material" used for repairs of tracks in quarries and ballast pits shall be included in the appropriate clearing accounts, and of such track material used for repairs of tracks on car floats in account 323, "Floating equipment—Repairs."

§ 10.218 *Ballast.* This account shall include the cost of gravel, stone, slag, cinders, sand, and like ballast material used in the repairs of tracks, including the cost of work-train service and of unloading the material. (See § 10.04–11 *Gravel and sand pits and quarries.*)

When the ballast taken from a pit is not sufficient to justify the opening of a clearing account, the cost of gravel and quarry rights and cost of sinking test holes shall be included in this account.

NOTE A: The cost of loading cinders at ash pits shall be charged to account 388, "Enginehouse expenses—Yard," or to account 400, "Enginehouse expenses—Trains." No charge to cover the value of cinders accumulated by the carrier shall be included in this account.

NOTE B: The cost of labor putting ballast in tracks shall be included in account 220, "Track laying and surfacing."

NOTE C: The excess cost of ballasting tracks over the cost of replacing in kind to its maximum height and width the ballast previously put in the roadbed shall be charged to road and equipment account 11, "Ballast."

NOTE D: Earth placed to form a crown in the middle of the track is not to be considered as ballast.

NOTE E: The cost of ballast used for repairs of temporary tracks, such as gravel pit or quarry tracks, shall be included in the appropriate clearing accounts.

§ 10.220 *Track laying and surfacing.* This account shall include:

(a) *Applying ballast.* The cost of labor expended in preparing the roadbed, and applying ballast for repairs of tracks.

(b) *Applying ties.* The cost of labor expended in unloading, distributing and applying ties for repairs of tracks; in gathering up and disposing of the ties released; and in respacing ties.

(c) *Applying rails.* The cost of labor expended in unloading, distributing, cutting, slotting, drilling, adzing for, and laying rails for repairs of tracks; in gathering up and loading rails released; and in adjusting for expansion and contraction of rails.

(d) *Applying other track material.* The cost of labor expended in unloading, distributing, and applying other track material for repairs of tracks; and the cost of gathering up and loading the material released.

(e) *Track maintenance.* The cost of labor expended in alining, surfacing, gauging, and shimming tracks; in tightening track bolts and track spikes; in restoring rails, ties, and ballast in case of washouts, derailments, and wrecks; and in taking up tracks.

(f) *Train service.* The cost of work-train service (except work trains distributing ballast material) in connection with work pertaining to track laying and surfacing.

(g) *Track changes.* The cost of track work (exclusive of the cost of track material) in taking up and relocating tracks.

(h) *Other expenses.* The cost of track laying and surfacing work not provided for elsewhere, and expenses, such as repairing and replacing rail rests, official track inspection train service, and premiums in connection with track repairs.

NOTE: Tools and supplies used by track repair men and watchmen shall be charged to account 271, "Small tools and supplies."

§ 10.221 *Fences, snowsheds, and signs.* This account shall include:

(a) *Fences.* The cost of repairing right-of-way fences and snow and sand fences, farm gates, cattle guards, wing fences, aprons, and hedges, excluding those around stockyards, fuel stations, station and shop grounds, and building sites.

(b) *Snowsheds.* The cost of repairing snowsheds, including cost of replacing trees for protecting tracks from snow.

(c) *Signs.* The cost of repairing signs other than those for identification of bridges, signals, stations, and other structures. (For items of signs see account 13, "Fences, snowsheds, and signs.")

NOTE A: The cost of repairing fences (other than right-of-way boundary fences) around stockyards, fuel and water stations, and other building sites, shall be charged to the accounts appropriate for the cost of repairs of the structures.

NOTE B: The cost of repairing signs for identifying bridges, signals, stations, and other structures shall be included in the account appropriate for the cost of repairs of the structures.

NOTE C: The cost of repairing crossing signals, including crossing gates, shall be included in account 249, "Signals and interlockers."

§ 10.227 *Station and office buildings.* This account shall include the cost of repairing station and office buildings, fixtures, and appurtenances (including those for heating and lighting), used by the carrier in its operations; also the cost of maintaining grounds appurtenant to such buildings.

STATION AND OFFICE STRUCTURES AND DETAILS

Baggage rooms.
Breakwaters for protection of buildings.
Buildings and rooms for trainmen.
Buildings on piers.
Call bells.
Coal bins.
Coal-transferring machinery (not on coal and ore wharves).
Coal trestles (not at fuel stations).
Commissarial buildings.
Drainage and sewer systems.
Dwellings.
Eating houses.
Electric wiring.
Elevators and machinery.
Express buildings.
Fences.
Fire-engine houses.
Freight cranes.
Freight derricks.
Freight handling machinery.
Freight houses.
Garages.
Gas-supply systems.
General office buildings.
Grain cribs.
Grain elevators.
Grain warehouses.
Greenhouses.
Hay houses.
Heating plants.
Hedges.
Hoisting engines, for handling freight.
Hose houses.
Ice houses.
Lighting plants.
Mail cranes.
Milk stands.
Office buildings.
Ore transferring machinery (not on coal and ore wharves).
Outhouses.
Pavement in ground limits.
Platforms, freight.
Platform, passenger, including planking between tracks.
Power distribution systems, interior.
Reading rooms.
Rooms for Y. M. C. A.
Scale houses.
Sidewalks.
Stables.
Station footbridges (not highway crossings).
Station intertrack fences.
Station platforms.
Station signs.
Station stairways.
Station subways (not highway crossings).
Station powerhouses.
Stations, freight.
Stations, passenger.
Stock pens.
Storehouses.
Telegraph offices.
Telpher systems.
Track scales.
Transfer houses.
Transfer platforms.
Waiting rooms.
Warehouses.
Washrooms.
Water-supply systems.

NOTE: Incidental cleaning, including the cost of cleaning snow from roofs, when done by station or office employees, shall not be included in this account.

§ 10.229 *Roadway buildings.* This account shall include the cost of repairing roadway shops and other roadway buildings, including drainage, water, gas, and sewer pipes and their connections, machinery and other apparatus, fixtures, and furniture in the buildings; also the cost of maintaining the grounds appurtenant to such buildings.

LIST OF ROADWAY STRUCTURES

Bins for material.
Blacksmith shops.
Boarding houses.
Breakwaters for protection of buildings.
Carpenter shops.
Dwellings for roadway employees.
Fire-engine houses.
Frog shops used solely for repairs of track material.
Hand-car houses.
Lumber sheds.
Offices.
Outhouses.
Planing mills.
Rail shops used solely for repairs of track material.
Repair shops.
Scrap bins.
Section dwelling houses.
Stables.
Storehouses.
Tool houses.
Watch houses.

NOTE A: The cost of repairing signal and interlocker buildings and their appurtenances shall be included in account 249, "Signals and interlockers."

NOTE B: Incidental cleaning, including the cost of cleaning snow from roofs, when done by employees regularly working in the buildings, shall not be included in this account.

§ 10.231 *Water stations.* This account shall include the cost of repairing water stations, fixtures, and appurtenances used by the carrier in its operations, and the cost of maintaining the grounds appurtenant to such stations.

WATER STATION STRUCTURES AND DETAILS

Boilers.
Breakwaters for protection of buildings.
Buildings on piers.
Cisterns.
Dams.
Fences.
Outhouses.
Penstocks.
Pump houses.
Pumps.
Purifying plants.
Reservoirs.
Settling basins.
Stationary engines.
Steam pipes.
Tanks and foundations.
Track tanks.
Tubs.
Water cranes.
Water-pipe lines.
Water-treating plants.
Wells.
Windmills.

NOTE: Incidental cleaning, including the cost of cleaning snow from roofs, when done by water station employees, shall not be included in this account.

§ 10.233 *Fuel stations.* This account shall include the cost of repairing fuel stations, fixtures, and appurtenances used by the carrier in its operations, and the cost of maintaining the grounds appurtenant to such stations.

FUEL STATION STRUCTURES AND DETAILS

Breakwaters for protection of buildings.
Buckets.
Buildings on piers.
Coal buggies.
Coal hoists.
Coal pockets and chutes.
Dumping machinery
Elevating machinery
Fences.
Fuel houses.
Fuel-oil columns.
Fuel-oil plants.
Fuel-oil pumps.
Fuel-oil sumps.
Fuel-oil tanks.
Fuel platforms.
Fuel wharves.
Inclines.
Outhouses.
Scales.
Sheds.
Stationary engines.
Tipple cars.
Weighing apparatus.
Wood racks.

NOTE: Incidental cleaning, including the cost of cleaning snow from roofs, when done by fuel station employees, shall not be included in this account.

§ 10.235 *Shops and enginehouses.* This account shall include the cost of repairing shop and enginehouse buildings, fixtures, and appurtenances used by the carrier in repairing and preparing equipment, and the cost of maintaining the grounds appurtenant to such buildings.

SHOP AND ENGINEHOUSE STRUCTURES AND DETAILS

Air-compressor houses.
Ash pits and pockets.
Ash plants.
Bins for material.
Blacksmith shops.
Breakwaters for protection of buildings.
Buildings on piers.
Car sheds.
Car shops.
Carpenter shops.
Cinder pits.
Cinder pockets.
Drop pits.
Dry houses.
Electric power distribution systems within buildings.
Enginehouses.
Fire-engine houses.
Footbridges (not public highways).
Foundries.
Gas-compressor houses.
Heating plants.
Hose houses.
Ice houses.
Laboratories.
Lighting plants.
Lumber sheds.
Machine shops.
Material and supply truck tracks.
Motor-crane tracks.
Offices, shop.
Oil houses.
Outhouses.
Paint shops.
Pipe lines, air, interior.
Pipe lines, car-heating.
Pipe lines, gas, interior.
Planing mills.
Platforms, shop and yard.
Repair shops.
Sand houses.
Scale houses.
Scrap bins.
Sidewalks.
Stables.
Steam distribution systems, interior.
Storehouses.
Tanks, gas.
Tanks, oil.
Test rooms.
Tin shops.
Tool houses.
Track scales.
Transfer tables.
Turntables.
Upholstering shops.
Warehouses.
Wash rooms.
Watch houses.

NOTE A: The cost of repairing machinery and other apparatus, including special foun-

dations in shops for maintenance of equipment shall be included in account 302, "Shop machinery."

NOTE B: Incidental cleaning, including the cost of cleaning snow from roofs, when done by shop employees, shall not be included in this account.

§ 10.237 *Grain elevators.* This account shall include the cost of repairing structures for the transfer, treatment, and storage of grain, including conveyors, machinery and fixtures; also the cost of maintaining the grounds appurtenant to such buildings.

The buildings referred to in this account are large elevators in which a regular grain business is handled or grain is stored for various owners.

NOTE A: Small storage elevators at way stations, where the freight is received for shipment, etc., are classed as station buildings.

NOTE B: Incidental cleaning, including the cost of cleaning snow from roofs, when done by grain elevator employees shall not be included in this account.

§ 10.239 *Storage warehouse.* This account shall include the cost of repairing storage warehouses, including machinery and fixtures therein; also the cost of maintaining the grounds appurtenant to such warehouses.

The buildings referred to herein are not the ordinary freight warehouses or stations where freight is received for shipment, etc., but are warehouses in which merchandise is stored and which the carrier operates as storage warehouses.

NOTE: Incidental cleaning, including the cost of cleaning snow from roofs, when done by storage warehouse employees, shall not be included in this account.

§ 10.241 *Wharves and docks.* This account shall include the cost of repairing wharves located at marine, lake, or river docks; dredging waterways to approaches and around such structures, including removal of dredged-out material; and cutting ice in and around docks and wharves to prevent damage; also cost of repairs of cribwork, racks, or caissons for preserving the depth of water in docks; and cost of repairs of guards, piling, and other protection against damage by drift or ice.

DETAILS OF WHARVES AND DOCKS

Bridge pontoons.
Bulkheads.
Caissons.
Cribwork.
Drydocks.
Ferry-bridge machinery.
Ferry bridges.
Ferry racks.
Ferry slips.
Jetties and inclines.
Transfer-bridge machinery.
Transfer bridges.

NOTE A: The cost of repairing buildings, tracks, and machinery (not bridge machinery) on wharves and piers shall be charged to the appropriate expense accounts.

NOTE B: The cost of repairing coal and ore wharves shall be charged to account 243, "Coal and ore wharves."

NOTE C: Incidental cleaning, when done by regular wharf employees, shall not be included in this account.

§ 10.243 *Coal and ore wharves.* This account shall include the cost of repairing wharves and docks, including the cost of repairing conveyors, machinery, and fixtures for the transfer, treatment, blending, or storage of coal or ore.

NOTE A: The structures referred to in this account do not include small transfer or storage trestles at stations where coal is stored or delivered, such trestles being classed as station buildings.

NOTE B: Incidental cleaning, including the cost of cleaning snow from roofs, when done by coal and ore wharf employees, shall not be included in this account.

§ 10.247 *Telegraph and telephone lines.* This account shall include:

(a) *Telegraph.* The cost of repairs of telegraph outside plant and terminal equipment for which the carrier is responsible, including the cost of work-train service and of special tools provided for the work.

(b) *Telephone.* The cost of repairs of telephone outside plant and terminal equipment for which the carrier is responsible, including the cost of work-train service and of special tools provided for the work.

DETAILS OF TELEGRAPH AND TELEPHONE TERMINAL EQUIPMENT

Batteries.
Cables and wires, interior.
Conduits, interior.
Connecting wires.
Current-controlling instruments.
Electric generators and motors.
Electric meters.
Engines, stationary.
Fuses and mechanical protectors.
Rectifiers.
Rheostats.
Sending and receiving instruments.
Switchboards.
Testing outfits.
Transformers.

DETAILS OF TELEGRAPH AND TELEPHONE OUTSIDE PLANT

Aerial attachments.
Braces.
Brackets.
Cable boxes and appurtenances.
Cables and wires, aerial.
Conduits and appurtenances.
Cross arms.
Guy stubs.
Guy wires.
Insulators.
Poles.
Submarine cables and connections.
Telephone pole boxes.
Towers.
Underground cables and connections.

NOTE: The salaries, rent, other office expenses, and traveling expenses of superintendents of telegraph and telephone, their assistants, clerks, and attendants, when engaged both in maintaining and operating telegraph and telephone lines, shall be apportioned equally between this account and account 407, "Telegraph and telephone operation."

§ 10.249 *Signals and interlockers.* This account shall include the cost of repairing signals and interlockers governing the movements of locomotives and trains, and for the protection of traffic at crossings, including towers and other buildings, furniture, fixtures, and machinery in connection therewith; also the cost of repairing buildings and machinery of power plants used primarily for the production of power for the operation of signals and interlockers.

For list of items see account 27, "Signals and interlockers."

NOTE A: The pay and expenses of employees engaged both in maintaining and operating signals and interlockers shall be apportioned equitably between this account and account 404, "Signal and interlocker operation."

NOTE B: When signal or interlocking apparatus is located in station buildings, only the cost of repairing the signal or interlocking apparatus shall be charged to this account. The cost of repairing the building shall be included in account 227, "Station and office buildings."

NOTE C: The cost of repairs of track material such as special rail braces, special rods, switches, special track fastenings, split rails, derails, derail stands, and frogs, used in connection with interlockers shall be included in account 216, "Other track material."

NOTE D: When derails are arranged so as to be thrown from switch stands, the cost of labor expended for repairs of the connections between the switch stands and the derail and devices for throwing the derail, shall be included in account 220, "Track laying and surfacing."

NOTE E: The salaries, office expenses, and traveling expenses of supervisors or inspectors when engaged in maintaining both telegraph and telephone lines and signals and interlockers shall be equitably apportioned between this account and account 247, "Telegraph and telephone lines."

§ 10.253 *Power plants.* This account shall include the cost of repairing power-plant and substation buildings, including all foundations other than those special to particular machines and apparatus; and also dams, canals, pipe lines, and accessories devoted to the utilization of water for power. Gas and sewer pipes and their connections, fixtures (including wiring) for lighting and heating, and miscellaneous fixtures, shall be considered as a part of the power-plant buildings.

The power-plant buildings here referred to are those in which power is produced for the operation of trains and cars and for general purposes.

For list of items see road and equipment account 29, "Power plants."

NOTE A: The cost of repairing power-plant machinery, including small stacks resting on boilers, and special foundations for machines, shall be included in account 304, "Power-plant machinery."

NOTE B: The cost of repairng the buildings and the power machinery and other apparatus of plants used primarily for operating signals and interlockers shall be included in account 249, "Signals and interlockers."

§ 10.257 *Power-transmission systems.* This account shall include the cost of repairing systems for conveying electricity, steam, and compressed air from producing plants to place or building where used; also the cost of conduits and poles, cross arms, insulator pins, brackets and other pole fixtures, and of other structures for power-transmission and distribution systems, including those for electric railway operation, and lighting systems for general lighting purposes.

For list of items see account 31, "Power-transmission systems."

NOTE A: The cost of repairing the portions of distribution systems located within shop buildings and station and office buildings shall be included in the accounts provided for the cost of maintaining the buildings. The cost of repairing distribution systems in plants used primarily for operating signals and interlockers shall be included in account 249, "Signals and interlockers."

NOTE B: The cost of repairing conduits and poles and fixtures for telegraph and telephone lines shall be included in account 247, "Tele-

graph and telephone lines." If poles and conduits are used both for telegraph and telephone lines, and for power-distribution lines, the cost of repairs thereof shall be included in the account appropriate according to their predominant use.

§ 10.265 *Miscellaneous structures.* This account shall include the cost of repairing permanent structures, not provided for elsewhere, including the cost of repairing all furniture and fixtures to equip them for use. It shall also include the cost of maintenance of the grounds appurtenant to such structures.

NOTE A: When separable the cost of maintaining structures which are rented to other companies or individuals shall be charged to the income account in which is included the rent received for use of the structures.

NOTE B: Incidental cleaning, including the cost of cleaning snow from roofs, when done by employees regularly working in miscellaneous buildings, shall not be included in this account.

§ 10.266 *Road property; depreciation.* This account shall include the amount of depreciation charges applicable to the accounting period for all classes of depreciable road property listed in paragraph (g) of § 10.04–8 *Depreciation accounting; road property,* with the exception of shop machinery and power-plant machinery.

NOTE: Depreciation charges applicable to shop machinery and power-plant machinery shall be included in account 305, "Shop and power-plant machinery—Depreciation."

§ 10.267 *Retirements; road.* This account shall include charges for the service value (ledger value less value of salvage) of nondepreciable road property retired, excluding rail, ties, and other track material, and ballast used in repairs, as defined in this classification. This account shall also include the proportion of the service value of nondepreciable and depreciable road property retired carried in account 726, "Property retired chargeable to operating expenses," which by specific authority of the Commission shall be charged to current operating expenses.

When road property previously subject to amortization accounting under section 124, "Amortization deductions," of the Internal Revenue Code is retired, the difference between the service value (ledger value less value of salvage and insurance recovered) thereof, and the balance in account 702½E, "Accrued amortization of defense projects—Road," with respect to the specific facility retired, after appropriate adjustment for any depreciation accrued thereon, shall be included in this account.

This account shall also be charged with such amounts as are concurrently credited to accounts 72 to 77, inclusive, in accounting for the retirement of road property.

NOTE: The cost of dismantling or demolishing the property, if borne by the carrier, shall be charged to account 270, "Dismantling retired road property," or account 306, "Dismantling retired shop, and power-plant machinery," as may be appropriate.

§ 10.268 *Deferred maintenance; way and structures.* This account shall include the estimated cost of repairs to way and structures which cannot be made during the current year due to priorities for materials and supplies or shortage of labor.

This account shall be credited with amounts cleared from account 774, "Maintenance reserves", in accordance with the text of that account. (See § 10.04–25 *Deferred maintenance, and major repairs to equipment.*)

§ 10.269 *Roadway machines.* This account shall include the cost of repairing roadway machines which are used for the repairs of roadway and structures.

LIST OF ROADWAY MACHINES

Boilers, portable.
Cars, hand.
Cars, lever.
Cars, motor inspection.
Cars, push.
Cars (small), crane, for supply yards and general use.
Concrete mixers.
Ditching machines.
Dredging machines.
Engines, portable.
Grading outfits.
Hydraulic outfits.
Jacks, hydraulic.
Log loaders.
Pile drivers.
Plows, unloading.
Rail unloaders.
Rock crushers.
Steam rollers.
Timber trucks.
Velocipedes.

NOTE A: The cost of repairing machines in the maintenance of equipment shops shall be included in account 302, "Shop machinery," as provided for therein.

NOTE B: The cost of repairing roadway machines, such as pile drivers, log loaders, hoisting engines, and concrete mixers, when permanently mounted for movement on carrier's tracks, shall be included in account 326, "Work equipment—Repairs."

§ 10.270 *Dismantling retired road property.* This account shall include the cost of dismantling retired road property and recovering the salvage therefrom with the exception of track material recovered in connection with repairs of tracks as provided for in account 220, "Track laying and surfacing," and shop and power-plant machinery.

NOTE: The cost of removing, gathering up, and disposing of track material in connection with repairs of tracks is includible in account 220, "Track laying and surfacing," and of shop and power-plant machinery in account 306, "Dismantling retired shop and power-plant machinery."

§ 10.270½ *Road; amortization of defense projects.* This account shall include the amount of amortization charges accrued during the accounting period for road property with respect to which the carrier has elected to observe amortization accounting for income tax purposes under section 124, "Amortization deduction," of the Internal Revenue Code. The charges so included shall be in conformity with the allowances acceptable to the Bureau of Internal Revenue under the regulations prescribed by it.

NOTE A: Road property subject to amortization accounting with charges to this account is exempt from the accrual of depreciation under the accounting regulations otherwise applicable.

NOTE B: With respect to road property operated by a lessee, when under the terms of the lease the lessee assumes the amortization charge (either in a specified amount or as an undivided part of the rent), the amortization charges as authorized shall be included in the operating expense accounts of the lessee and the reserve shall be maintained in the accounts of the lessor.

§ 10.271 *Small tools and supplies.* This account shall include:

(a) *Roadway and track tools.* The cost of roadway tools (except special tools provided for elsewhere), including the cost of repairing such tools.

LIST OF ROADWAY AND TRACK TOOLS

Adzes.
Anvils.
Augers.
Axes.
Ballast forks.
Bars, claw.
Bars, crow.
Bars, lining.
Bars, pinch.
Bars, raising.
Bars, tamping.
Braces and bits.
Brooms.
Brush hooks.
Cable stretchers.
Cables.
Cans, oil.
Cans, water.
Cant hooks.
Chains.
Chisels, track.
Chisels, wood.
Curbing hooks.
Dippers.
Drawing knives.
Drill bits.
Drills (portable).
Flags, signal.
Furnaces (portable).
Grindstones.
Hammers, napping.
Hammers, paving.
Hammers, spiking.
Handles for tools.
Hatchets.
Hoes.
Jack levers.
Jacks, ratchet.
Jacks, screw.
Jacks, track.
Kegs, water.
Ladders.
Lanterns and fixtures.
Lawn mowers.
Levels.
Lines for ditching.
Nippers.
Oilstones.
Padlocks.
Pails, water.
Paint brushes.
Picks, clay.
Picks, tamping.
Pike poles.
Post-hole diggers.
Post-hole tampers.
Punches.
Rail benders.
Rail tongs.
Rakes.
Rope.
Saws, crosscut.
Saws, hand.
Scrap boxes.
Scythes.
Shovels.
Sickles.
Sledges.
Spades.
Spike mauls.
Spike pullers.
Spot boards.
Squares.
Straightening machines.
Tape lines.
Thermometers for laying rail.
Tongs.
Tool boxes.
Torches.
Track gauges.
Track levels.
Vises.
Weed spuds.
Wheelbarrows.
Whetstones.
Wood mallets.
Wrenches, monkey.
Wrenches, track.

(b) *Roadway and track supplies.* The cost of supplies consumed in connection with the operation of roadway machines while used in repairs of roadway and tracks; and cost of supplies used by trackwalkers, track watchmen, and roadway and track repair men.

ITEMS OF ROADWAY SUPPLIES

Alcohol for hydraulic jacks.
Fuel for heating tool and other section houses.
Fuel for portable forges used in roadway and track work.
Gasoline for motor cars.
Oatmeal and ice for drinking water used by roadway and track repair men.
Oil and waste for hand cars, lever cars, motor inspection cars, and push cars.
Oil and wicks for lanterns used by trackwalkers, track watchmen, and roadway and track repair men.
Oil and wicks for lighting tool and other section houses.
Torpedoes used by trackwalkers, track watchmen, and roadway and track repair men.
Water for section houses.

§ 10.272 *Removing snow, ice, and sand.* This account shall include the cost of keeping track and roadway clear of snow, ice, and sand.

It shall include cost of preventing accumulation, such as the cost of distributing, setting up, inspecting, taking down, and regathering portable snow and sand fences; and cost of tools furnished for the purpose; also cost of storing fences.

It shall include cost of removing accumulations of snow, ice, and sand, cost of snow-plow and flanger service, and of work-train service; cost of applying and removing flangers from locomotives and cars, and of slatting pilots; cost of salt to keep switches clear; and cost of meals and lodging for men employed in removal service.

§ 10.273 *Public improvements; maintenance.* (a) This account shall include the portion borne by the carrier of the expense of maintenance of public improvements, whether done by public authority or by the carrier's employees under governmental requirement.

(b) By public improvements are meant improvements for public benefit such as curbing, grading, guttering, and paving of streets, overhead highway bridges, including approaches; drainage, sewer, irrigation, and water systems; flood protection, parks, sidewalks, etc.

For list of items see account 39, "Public improvements—Construction."

NOTE A: The expense of repairing paving within the grounds of buildings or other structures shall be charged to the accounts provided for repairs of the structures.

NOTE B: Assessments for maintaining public improvements included in the general tax levy for a regular taxing district shall be charged to the appropriate tax account in income.

NOTE C: Interest and penalties, based on monthly or annual percentage rates, for failure to pay assessments within the allotted time shall be included in account 547, "Interest on unfunded debt."

§ 10.274 *Injuries to persons.* This account shall include expenses on account of injuries to persons which occur directly in connection with the maintenance of way and structures, including injuries occurring in connection with the operation of work trains in such service, and injuries caused by defective highways within the right of way.

It shall also include expenses on account of injuries to employees incurred while demolishing structures, the maintenance of which would be chargeable to maintenance of way and structures; services of employees and others called in consultation in connection with claim adjustments; pay and expenses of employees while engaged as witnesses at inquests and lawsuits; and a suitable proportion of donations made to hospitals.

This account shall also include amounts estimated to be sufficient to meet the probable liability of the carrier for unaudited expenses applicable thereto, except that it is not required to anticipate items which would not appreciably affect the account.

ITEMS OF EXPENSE

Artificial limbs.
Carriage fees.
Claim adjusters' and clerks' services.
Claim adjusters' office expenses.
Compensation for injuries or death.
Final judgments, including plaintiffs' court costs.
Funeral expenses.
Hospital attendance.
Medical and surgical services.
Medical and surgical supplies.
Notarial fees.
Nursing.
Railway transportation.
Undertakers' services.
Undertakers' supplies.
Witnesses' fees and expenses at inquests and lawsuits.

NOTE A: Expenses incident to personal injury suits, not otherwise provided for, shall be included in account 454, "Law expenses."

NOTE B: Amounts donated by a carrier to hospitals shall be distributed, 25 percent to account 274, "Injuries to persons"; 25 percent to account 332, "Injuries to persons"; and 50 percent to accounts 420, "Injuries to persons."

NOTE C: The pay, office rent, office expenses, and other expenses of claim adjusters, claim clerks and others in charge of or engaged in connection with claim cases, when not assignable to a distinct class of claims, shall be apportioned equally among the several classes of claims over which they have jurisdiction or in connection with which they are engaged.

§ 10.275 *Insurance.* This account shall include premiums, except reinsurance premiums, for insuring the carrier against loss through injuries to persons or damage to or destruction or loss of property, whether caused by fire, accident, or other cause, when such loss to the carrier would be chargeable to maintenance of way and structures; also premiums on fidelity bonds of employees whose pay is chargeable to maintenance of way and structures. (See § 10.04–18 *Insurance.*)

NOTE: The premiums paid by the carrier to its insurance fund shall be credited to an insurance reserve account, to which account shall be charged the amounts of all claims for injuries to persons and damages to the property covered by its insurance. To such account shall also be charged all reinsurance premiums paid to insurance companies, and to it shall be credited all amounts recovered from insurance companies in reimbursement for losses under such reinsurance.

§ 10.276 *Stationery and printing.* This account shall include the cost of stationery and printing used in connection with maintenance of way and structures.

STATIONERY AND PRINTING ITEMS

Adding machines.
Addressographs and supplies.
Arm rests.
Binders.
Blank books.
Blotters.
Blotting paper.
Bristol board.
Calculating machines.
Calendars.
Carbon paper.
Cardboard.
Cards, blank and printed.
Circulars.
Computing tables.
Copy (impression) books.
Copying brushes.
Copying presses.
Crayons.
Cross-section books.
Cross-section paper.
Cyclostyles.
Dating stamps and ribbons.
Dictaphones.
Dictographs.
Drawing paper.
Duplicators.
Electric pens.
Envelopes.
Erasers, rubber and steel.
Eyelet punches.
Eyelets.
File boxes, paper.
Forms, blank and printed.
Glass pens.
Hectographs.
Indexes.
Ink for writing and drawing.
Inkstands.
Invoice books.
Legal cap paper.
Letter paper.
Manifold paper.
Manifold pens.
Mimeographs.
Mucilage.
Mucilage brushes.
Neostyles.
Note paper.
Notices.
Numbering stamps.
Oil paper.
Paper.
Paper baskets.
Paper clips.
Paper cutters.
Paper fasteners.
Paper files.
Paper weights.
Papyrographs.
Pencil sharpeners.
Pencils for writing and drawing.
Penholders.
Penracks.
Pens for writing and drawing.
Phonographs and records.
Pins.
Postage.
Profile books and paper.
Punches (not conductors' or baggagemen's).
Rubber bands.
Rubber stamps.
Rulers.
Ruling pens.
Scrapbooks.
Sealing wax.
Seals.
Shears.
Shipping tags.
Shorthand note books.
Sponge cups.
Sponges.
Stamps, impression.
Stylographs.
Tablets, blank and printed.
Tape.
Telegraph blanks.
Tissue (impression) paper.
Tracing cloth.
Tracing paper.
Twine.
Typewriters and ribbons.
Wage tables.
Wastebaskets.
Water colors.
Water holders.
Wrapping paper.
Wringers for copying presses.

NOTE: The cost of dictionaries, periodicals, technical books, etc., shall be included in the appropriate superintendence accounts.

§ 10.277 *Other expenses.* This account shall include all expenses in connection with maintenance of way and structures not provided for elsewhere.

ITEMS OF EXPENSE

Pay and expenses of maintenance of way employees attending conferences with officers in connection with wage disputes.
Fees paid arbitrators in wage disputes with maintenance of way employees.
Payments to maintenance of way employees for time absent on account of sickness, when not compensation for personal injuries.
Gratuities paid to persons for discovering defective rails, etc.

§ 10.278 *Maintaining joint tracks, yards, and other facilities—Dr.* This account shall include the carrier's proportion of the costs incurred by others in maintaining joint tracks, yards, terminals, and other facilities.

NOTE: The purpose of this account is to show the amounts accruing against the carrier for its proportion of the cost of maintaining tracks, yards, and other roadway and structure facilities maintained by others and in the joint use of which the carrier participates. (See § 10.04–9 *Joint facility accounts.*)

§ 10.279 *Maintaining joint tracks, yards, and other facilities—Cr.* This account shall include amounts chargeable to others as their proportions of the cost incurred by the carrier in maintaining joint tracks, yards, terminals, and other facilities.

NOTE: The purpose of this account is to show the amounts accruing in favor of the carrier and against others for their proportions of the cost of maintaining tracks, yards, and other roadway and structure facilities maintained by the carrier and in the joint use of which others participate. (See § 10.04–9 *Joint facility accounts.*)

§ 10.280 *Equalization; way and structures.* This account shall include adjustments of the differences between the actual and the budgeted or authorized maintenance of way and structures expenses as provided in § 10.04–19 *Equalization of maintenance expenses.* The amounts included in this account shall concurrently be debited or credited to account 773½, "Equalization reserves."

§ 10.281 *Right-of-way expenses.* This account shall include the cost to the carrier of maintaining structures owned by or exclusively used by others, such costs having been assumed by the carrier in order to acquire or to secure a less restricted use of its right of way.

The structures here referred to are those such as bridges above the carrier's tracks, tunnels, and roadways under the carrier's tracks.

NOTE: The cost of maintaining public improvements is includible in account 273, "Public improvements—Maintenance."

MAINTENANCE OF EQUIPMENT

§ 10.300 *Maintenance of equipment.* The primary accounts included in this general account are designed to show the expenses of maintaining the carrier's equipment and the carrier's expense for the repairs of other equipment used in its operations, also the cost of maintaining road property classified as shop and power plant machinery. The repair accounts shall include foreign roads' freight charges for transporting the carrier's equipment to shops for repairs and for transporting such equipment to the carrier's line after repairs have been made. No charge shall be made to these accounts for transporting equipment in the carrier's transportation service trains to shops for repairs or from shops after repairs have been made.

The accounts for maintenance of equipment shall be kept in such manner as to show separately, by primary accounts, the expenses directly assignable to sleeping car operations, dining and buffet service, producing power sold, and other miscellaneous operations.

§ 10.301 *Superintendence.* This account shall include:

(a) *Pay of officers.* The pay of officers directly in charge of or engaged in the maintenance of equipment.

LIST OF OFFICERS

Vice president.
Assistant vice president.
General superintendent of motive power.
Assistant general superintendent of motive power.
Mechanical superintendent.
Superintendent of motive power.
Assistant superintendent of motive power.
Mechanical engineer.
Assistant mechanical engineer.
Chief chemist.
General equipment inspector.
Engineer of tests.
Supervisor of car department.
Electrical engineer.
Assistant electrical engineer.
Chemist and assistant chemist.
Master car builder.
Master mechanic.
General foreman.
Chief car inspector.
Inspector of passenger-train cars.
General car inspector.
Traveling boiler inspector.

(b) *Pay of clerks and attendants.* The pay of clerks and other employees in the offices and on business cars of officers whose pay is chargeable to this account.

LIST OF EMPLOYEES

Chief motive power clerks.
Chief clerks.
Draftsmen.
Stenographers.
Motive power clerks.
Shop clerks.
Messengers.
Cooks.
Porters.

(c) *Office and other expenses.* Office expenses and other expenses of officers and employees whose pay is chargeable to this account, and amounts paid to detective agencies and others for investigations in connection with repairs of equipment.

ITEMS OF EXPENSE AND SUPPLIES

Atlases and maps.
Barometers.
Books for office use.
Business car service.
Drafting instruments.
Drafting supplies.
Engineering supplies.
Fees and dues in technical associations.
Furniture repairs and renewals.
Heating.
Lighting.
Official train service.
Periodicals and newspapers.
Power.
Provisions for business cars.
Rent of offices.
Repair of rented offices.
Telegraph service.
Telephone service.
Traveling expenses.
Water and ice.

NOTE A: When employees designated above are specifically assigned to construction work, their pay and expenses while thus employed shall be charged to the work upon which engaged. (See paragraph (a) of § 10.01–4 *Cost of construction.*)

NOTE B: When officers designated above have supervision over more than one department, their salaries, the pay of their clerks and attendants and their office and other expenses shall be apportioned equitably among the departments over which they have jurisdiction.

NOTE C: The cost of stationery purchased for maintenance of equipment offices is chargeable to account 334, "Stationery and printing."

NOTE D: The pay of general foremen in small shops, who exercise direct supervision over all departments, unassisted by departmental foremen, shall be apportioned through clearing account "Shop expenses."

§ 10.302 *Shop machinery.* This account shall include the cost of repairing machinery and other apparatus, including special foundations, in shops and enginehouses.

LIST OF SHOP MACHINERY

Air compressors.
Ash conveyors.
Belting.
Blowers.
Boilers for furnishing power.
Boring machines.
Cars, small motor.
Cars, push.
Cranes.
Drill presses.
Drilling machines.
Drop tables.
Forges.
Framing machines.
Furnaces.
Grinding and polishing machines.
Hoists.
Hydraulic jacks.
Lathes.
Lifting magnets.
Metal chimneys.
Milling machines.
Motors.
Pipe cutting and threading machines.
Planers.
Pneumatic hammers.
Power machinery, where no distinct power plant is provided.
Punches.
Riveters.
Saws.
Shafting.
Shapers.
Slotters.
Stationary engines.
Steam hammers.
Vises.
Welding machines.
Woodworking machines.

NOTE A: The cost of repairing power plant machinery for shop power when located in distinct buildings shall be included in account 304, "Power plant machinery."

NOTE B: The cost of repairing boilers used exclusively for heating shall be included in the appropriate repair accounts for buildings.

NOTE C: The cost of small tools which are soon worn out, when used by mechanics on miscellaneous work, shall be included in clearing account "Shop expenses," and when used on repairs of equipment shall be included in the appropriate accounts for repairs of equipment.

NOTE D: The cost of repairing machinery and tools in shops used exclusively for maintenance of way and structures shall be included in account 229, "Roadway buildings."

§ 10.304 *Power-plant machinery.* This account shall include the cost of repairing machinery and other apparatus including special foundations in power plants and substations for generating and transforming power used for the operation of trains and cars or to furnish power, heat, and light for general purposes.

For list of items see account 45, "Power-plant machinery."

NOTE A: The cost of repairing power-machinery and apparatus in shop power plants shall be included in account 302, "Shop machinery."

NOTE B: The cost of repairing power-machinery and apparatus in stations and offices used primarily for station and office purposes shall be included in account 227, "Station and office buildings."

NOTE C: The cost of repairing power-machinery and apparatus in plants used primarily for operating signals and interlockers shall be included in account 249, "Signals and interlockers."

NOTE D: The cost of repairing foundations, other than those special to particular machines and other apparatus, shall be included in cost of repairing the building and not in this account.

NOTE E: The cost of repairing machinery in distinct plants for furnishing power both for carrier purposes and for sale shall be included in this account. When plants are used solely for generating power for sale the cost of repairs shall be included in account 534, "Expenses of miscellaneous operations."

§ 10.305 *Shop and power-plant machinery; depreciation.* This account shall include the amount of depreciation charges applicable to the accounting period for all classes of property the cost of which is includible in accounts 44, "Shop machinery" and 45, "Power-plant machinery." (See also § 10.04–8 *Depreciation accounting; road property.*)

§ 10.306 *Dismantling retired shop and power-plant machinery.* This account shall include the cost of dismantling retired shop and power-plant machinery and recovering the salvage therefrom.

§ 10.308 *Steam locomotives; repairs.* This account shall include the cost of repairing transportation service steam locomotives and tenders, including all appurtenances, and the cost of small hand tools used in repair work.

This account shall also include the cost of work-train service for the transportation of locomotives without steam to shops for repairs, including the pay and expenses of caretakers, and the pay and expenses of caretakers of locomotives without steam which are hauled in transportation service trains to shops for

repairs; also notarial fees in connection with reports on conditions of locomotives.

LIST OF APPURTENANCES TO LOCOMOTIVES

Air-brake equipment and hose.
Arm rests.
Awnings.
Brake fixtures.
Cab cushions.
Cab lamps.
Clocks.
Coal boards.
Fire extinguishing apparatus.
Gongs.
Head lamps.
Packing (except for lubricating).
Pneumatic sanding equipment.
Seat boxes.
Speed recorders.
Steam-gauge lamps
Steam-heat equipment and hose.
Storm doors.
Tool boxes.
Train-signal equipment and hose.

NOTE A: The cost of inspecting smokestacks and ash pans of locomotives in service shall be included in the appropriate engine-house expense accounts.

NOTE B: The cost of repairing steam locomotives and tenders of foreign lines, waybilled as freight, and damaged in transit shall be charged to account 418, "Loss and damage—Freight"; and the cost of repairing steam locomotives and tenders of foreign lines having trackage rights over the carrier's line, damaged by collision, wreck, or other cause, for which the carrier is liable, shall be charged to account 416, "Damage to property."

NOTE C: The cost of running locomotives under steam to shops for repairs in connection with transportation service shall be included in the cost of the service in connection with which the movement occurs.

NOTE D: The cost of repairing steam locomotives used solely in work service in connection with operations shall be included in account 326, "Work equipment—Repairs." The cost of repairing locomotives on account of construction work shall be included in the cost of the work. (See paragraph (c) of § 10.01–4 *Cost of construction.*)

§ 10.311 *Other locomotives; repairs.* This account shall include the cost of repairs of transportation service locomotives other than steam locomotives, analogous to those set forth for steam locomotives in account 308, "Steam locomotives—Repairs."

§ 10.314 *Freight-train cars; repairs.* This account shall include the cost of repairing freight-train cars and appurtenances, and the cost of repairing motor equipment affixed to freight-train cars engaged in transportation service; also cost of small hand tools used in repairs. This account shall also include the net loss sustained on account of the destruction of foreign freight cars in the carrier's transportation service and amounts paid to others for repairs of freight cars for which the carrier is liable.

LIST OF FREIGHT-TRAIN CARS

Ballast (commercial).
Beer.
Box.
Cabin.
Caboose.
Charcoal.
Coal.
Coke.
Dump (commercial)
Flat.
Fruit.
Furniture.
Gondola.
Gondola (hopper).
Gondola (long).
Gun truck.
Hay.
Lime.
Logging.
Oil tank.
Ore.
Platform.
Poling.
Poultry.
Produce.
Rack.
Refrigerator.
Stock.
Tank (in commercial service).
Water (in commercial service).
Work (in commercial service).

LIST OF APPURTENANCES TO FREIGHT-TRAIN CARS

Air-brake equipment, including hose.
Cooking equipment and utensils.
Cushions.
Heating equipment.
Ice boxes.
Lamps and fixtures.
Seats.
Speed recorders.
Train-signal equipment, including hose.
Water tanks.

NOTE A. The cost of candles, wicks, lamp chimneys, globes, and shades for oil or other lamps in freight-train cars shall be charged to account 402, "Train supplies and expenses."

NOTE B. The cost of repairing freight-train cars of foreign lines waybilled as freight and damaged in transit shall be charged to account 418, "Loss and damage—Freight"; and the cost of repairing freight-train cars of foreign lines having trackage rights over the carrier's line, when damaged by collision, wreck, or other cause, for which the carrier is liable, shall be charged to account 416, "Damage to property."

§ 10.317 *Passenger-train cars; repairs.* This account shall include the cost of repairing passenger-train cars and appurtenances and the cost of repairing motor equipment affixed to passenger-train cars used in transportation service; small hand tools used in repairs; the net loss sustained on account of the destruction of foreign passenger-train cars in the carrier's transportation service, and amounts paid others for repairs of passenger-train cars for which the carrier is liable.

LIST OF PASSENGER-TRAIN CARS

Baggage.
Baggage-express.
Baggage-mail.
Baggage - mail - express.
Buffet.
Café.
Chair.
Club.
Colonist.
Combination passenger and baggage.
Dining.
Express.
Immigrant.
Library.
Mail.
Milk.
Observation.
Parlor.
Parlor-baggage.
Passenger.
Passenger-baggage.
Passenger - baggage-mail.
Postal.
Refrigerator-express.
Sleeping.
Smoking.
Tourist.

LIST OF APPURTENANCES TO PASSENGER-TRAIN CARS

Air-brake equipment, including hose.
Bedding.
Chairs.
Coat hooks.
Curtains and fixtures.
Cushions.
Electric bells.
Floor coverings.
Heating equipment and steam-heat hose.
Ice boxes.
Ice tanks.
Kitchen equipment and utensils.
Lighting equipment.
Mail catchers.
Parcel racks.
Ranges and boilers.
Seats.
Speed recorders.
Steam heat hose.
Table china.
Table glassware.
Table linen.
Table silver.
Toilet equipment.
Train-signal equipment, including hose.
Water tanks.

NOTE A: The cost of candles, wicks, and lamp chimneys, and of globes and shades for electric and other lights in passenger-train cars shall be charged to account 402, "Train supplies and expenses."

NOTE B: The cost of repairing passenger-train cars of foreign lines, which are waybilled as freight and have been damaged in transit, shall be charged to account 418, "Loss and damage—Freight," and the cost of repairing passenger-train cars of foreign lines having trackage rights over the carrier's line, when damaged by collision, wreck, or otherwise, for which the carrier is liable, shall be charged to account 416, "Damage to property."

§ 10.323 *Floating equipment; repairs.* This account shall include the cost of repairing floating equipment (other than work equipment), including appurtenances, and cost of small hand tools used in repairs.

The pay and expenses of captains and engineers and of boat employees, while engaged on maintenance of floating equipment, shall be included in this account.

LIST OF FLOATING EQUIPMENT

Barges.
Canal boats.
Car and other floats
Ferryboats.
Lighters.
Power launches.
Power lighters.
Scows.
Steamboats.
Steamships.
Transfer boats.
Tugboats.

LIST OF APPURTENANCES, TOOL EQUIPMENT, AND FURNITURE

Anchors.
Axes.
Barometers.
Beds and bedding.
Binnacle lamps.
Blocks and tackle.
Boilers and foundations.
Cables.
Capstan bars.
Carpets.
Charts.
China, crockery, and glassware.
Chronometers.
Clocks.
Compasses.
Counters.
Desks.
Engines and foundations.
Fire buckets.
Fire extinguishers.
Floor coverings.
Flue cleaners.
Furniture.
Gangplanks.
Hatchets.
Heating equipment.
Hoisting equipment.
Hooks.
Keys.
Kitchen equipment.
Life preservers.
Lighting equipment.
Linen.
Lines.
Logs.
Machinery and foundations.
Masts.
Office furniture.
Oil cans.
Pianos and other musical instruments.
Pumps.
Racks.
Railings.
Rakes.
Rigging.
Safes.
Sails.
Scales.
Seats, chairs, and cushions.
Shovels.
Slice bars and pokers.
Spyglasses.
Steam distributor systems.
Steering equipment
Telescopes.
Ticket cases.
Tool boxes.
Tools, miscellaneous.
Tracks on car floats
Ventilating equipment.
Wrenches.

§ 10.326 *Work equipment; repairs.* This account shall include the cost of repairing rail and floating work equipment, including appurtenances, and cost of small hand tools used in repairs.

The cost of fitting up commercial cars for work service in connection with maintenance and operation; the cost of refitting them for commercial service; the cost of repairs to locomotives while in service for repairs of road and equipment; and the cost of repairs to foreign cars damaged while in such service shall be included in this account; also amounts paid in settlement for such cars destroyed in such service.

LIST OF WORK EQUIPMENT—RAIL

Air-brake instruction cars.
Ballast cars.
Ballast unloader cars.
Boarding cars.
Bridge cars.
Business cars.
Camp cars.
Cinder cars.
Concrete mixers (mounted).
Derrick cars.
Dirt spreaders (mounted).
Ditching cars.
Dump cars.
Dynamometer cars.
Gas-tank cars.
Grading cars.
Gravel cars.
Indicator cars.
Locomotive tanks used as water cars.
Locomotives.
Officers' cars.
Outfit cars.
Painters' cars.
Pay cars.
Pile drivers (mounted).
Rail saws (mounted).
Salt cars.
Sanding cars.
Scale test cars.
Scraper cars.
Snow dozers.
Snow drags.
Snow plows (not attached to but moved by locomotives).
Sprinkling cars.
Steam shovels.
Steam wrecking derricks.
Supply cars.
Sweeper cars.
Tool and block cars.
Tool cars.
Water cars.
Weed burners (mounted).
Wrecking cars.

APPURTENANCES TO WORK EQUIPMENT—RAIL

Air-brake equipment.
Beds and bedding.
Blocking.
Blocks and tackle.
Boilers on cars.
Bunks, seats, and chairs.
Chains.
China, crockery, and glassware.
Cushions.
Engines on cars.
Flue cleaners.
Hatchets.
Heating equipment.
Hooks.
Jacks.
Kitchen utensils.
Lighting equipment.
Linen.
Lines.
Machinery on cars.
Oil cans.
Rakes.
Ranges.
Shovels.
Slice bars and pokers.
Tool boxes.
Tools, miscellaneous.
Train-signal equipment.
Wrecking trucks.
Wrenches.

LIST OF WORK EQUIPMENT—FLOATING

Derricks.
Dredges.
Pile drivers.

APPURTENANCES TO WORK EQUIPMENT—FLOATING

Anchors.
Axes.
Barometers.
Beds and bedding.
Blocks and tackle.
Boilers and foundations.
Cables.
China, crockery, and glassware.
Compasses.
Cushions.
Desks.
Engines and foundations.
Fire extinguishers.
Fire buckets.
Floor coverings.
Flue cleaners.
Gangplanks.
Hatchets.
Heating equipment.
Hoisting equipment.
Hooks.
Keys.
Life preservers.
Lighting equipment.
Linen.
Lines.
Machinery and foundations.
Masts.
Oil cans.
Pumps.
Rakes.
Rigging.
Sails.
Seats and chairs.
Shovels.
Slice bars and pokers.
Steam distribution systems.
Steering equipment.
Tool boxes.
Tools, miscellaneous.
Wrenches.

NOTE: The cost of repairs to work equipment on account of construction work shall be included in the cost of the construction work on which it is used. (See paragraph (c) of § 10.01–4 *Cost of construction.*)

§ 10.328 *Miscellaneous equipment; repairs.* This account shall include the cost of repairing miscellaneous equipment, such as wagons, automobiles, and other highway vehicles, and harness.

§ 10.329 *Dismantling retired equipment.* This account shall include the cost of tearing down retired equipment and recovering the salvage therefrom.

§ 10.330 *Retirements; equipment.* This account shall include the proportion of the service value of equipment retired carried in account 726, "Property retired chargeable to operating expenses," which by specific authority of this Commission shall be charged to operating expenses in the period. (See paragraph (f) of § 10.04–24 *Depreciation accounting; equipment.*)

When equipment previously subject to amortization accounting under section 124, "Amortization deductions," of the Internal Revenue Code is retired, the difference between the service value (ledger value less value of salvage and insurance recovered) thereof and the balance in account 702½F, "Accrued amortization of defense projects—Equipment," with respect to the specific equipment retired, after appropriate adjustment for any depreciation accrued thereon, shall be included in this account.

This account shall also be charged with such amounts as are concurrently credited to accounts 72 to 77, inclusive, in accounting for the retirement of equipment.

§ 10.331 *Equipment; depreciation.* This account shall include the amount of depreciation charges applicable to the accounting period for all classes of equipment the ledger value of which is includible in accounts 51 to 54 and 56 to 58, all inclusive. (See also § 10.04–24 *Depreciation accounting; equipment.*)

§ 10.331½ *Equipment; amortization of defense projects.* This account shall include the amount of amortization charges accrued during the accounting period for equipment with respect to which the carrier has elected to observe amortization accounting for income tax purposes under Section 124, "Amortization deductions," of the Internal Revenue Code. The charges so included shall be in conformity with the allowances acceptable to the Bureau of Internal Revenue under the regulations prescribed by it.

NOTE A: Equipment subject to amortization accounting with charges to this account is exempt from the application of sub-orders, prescribing depreciation rates, under the order in No. 15100, Depreciation Charges of Steam Railroad Companies.

NOTE B: With respect to equipment operated by a lessee, when under the terms of the lease the lessee assumes the amortization charge (either in a specified amount or as an undivided part of the rent), the amortization charges as authorized shall be included in the operating expense accounts of the lessee and the reserve shall be maintained in the accounts of the lessor.

§ 10.332 *Injuries to persons.* This account shall include expenses on account of injuries to persons which occur directly in connection with repairs of equipment.

Services of employees and others called in consultation in relation to claim adjustments, pay and expenses of employees while engaged as witnesses at inquests and lawsuits, and a suitable proportion of donations made to hospitals shall be included in this account.

This account shall also include amounts estimated to be sufficient to meet the probable liability of the carrier for unaudited expenses applicable thereto, except that it is not required to anticipate items which would not appreciably affect the account.

ITEMS OF EXPENSE

Artificial limbs.
Carriage fees.
Claim adjusters' and clerks' services.
Claim adjusters' office expenses.
Compensation for injuries or death.
Final judgments, including plaintiffs' court costs.
Funeral expenses.
Hospital attendance.
Medical and surgical services.
Medical and surgical supplies.
Notarial fees.
Nursing.
Railway transportation.
Undertakers' services.
Undertakers' supplies.
Witnesses' fees and expenses at inquests and lawsuits.

NOTE A: Expenses incident to personal injury suits, not otherwise provided for, shall be included in account 454, "Law expenses."

NOTE B: Amounts donated by a carrier to hospitals shall be distributed, 25 percent to account 274, "Injuries to persons"; 25 percent to account 332, "Injuries to persons"; and 50 percent to account 420, "Injuries to persons."

NOTE C: The pay, office rent, and office and other expenses of claim adjusters, claim clerks, and others in charge of or engaged in connection with claim cases, when not assignable to a distinct class of claims, shall be apportioned equally among the several classes of claims over which they have jurisdiction or in connection with which they are engaged.

§ 10.333 *Insurance.* This account shall include premiums, except reinsurance premiums, for insuring the carrier against loss, through injuries to persons or damage to or destruction or loss of property, whether caused by fire, accident, or other cause, when such loss to the carrier would be chargeable to maintenance of equipment; also premiums on fidelity bonds of employees whose pay is chargeable to maintenance of equipment. (See § 10.04–18 *Insurance.*)

NOTE: The premiums paid by the carrier to its insurance fund shall be credited to an insurance reserve account, to which account shall be charged the amount of all claims for injuries to persons and damages to the property covered by its insurance. To such account shall also be charged all reinsurance premiums paid to insurance companies, and to it shall be credited all amounts recovered from insurance companies for damage to the property reinsured by them.

§ 10.334 *Stationery and printing.* This account shall include the cost of stationery and printing used in connection with maintenance of equipment.

STATIONERY AND PRINTING ITEMS

Adding machines.
Addressographs and supplies.
Arm rests.
Binders.
Blank books.
Blotters.
Blotting paper.
Bristol board.
Calculating machines.
Calendars.
Carbon paper.
Cardboard.
Cards, blank and printed.
Circulars.
Computing tables.
Copy (impression) books.
Copying brushes.
Copying presses.
Crayons.
Cyclostyles.
Dating stamps and ribbons.
Dictaphones.
Dictographs.

Drawing paper.
Duplicators.
Electric pens.
Envelopes.
Erasers, rubber and steel.
Eyelet punches.
Eyelets.
File boxes, paper.
Forms, blank and printed.
Glass pens.
Hectographs.
Indexes.
Ink for writing and drawing.
Inkstands.
Invoice books.
Legal cap paper.
Letter paper.
Manifold paper.
Manifold pens.
Mimeographs.
Mucilage.
Mucilage brushes.
Neostyles.
Note paper.
Notices.
Numbering stamps.
Oil paper.
Paper.
Paper baskets.
Paper clips.
Paper cutters.
Paper fasteners.
Paper files.
Paper weights.
Papyrographs.
Parchment paper.
Pencil sharpeners.
Pencils for writing and drawing.
Penholders.
Penracks.
Pens for writing and drawing.
Phonographs and records.
Pins.
Postage.
Punches (not conductor's or baggagemen's).
Rubber bands.
Rubber stamps.
Rulers.
Ruling pens.
Scrapbooks.
Sealing wax.
Seals.
Shears.
Shipping tags.
Shorthand notebooks.
Sponge cups.
Sponges.
Stamps, impression.
Stylographs.
Tablets, blank and printed.
Tape.
Telegraph blanks.
Tissue (impression) paper.
Tracing cloth.
Tracing paper.
Twine.
Typewriters and ribbons.
Wage tables.
Wastebaskets.
Water colors.
Water holders.
Wrapping paper.
Wringers for copying presses.

NOTE: The cost of dictionaries, periodicals, technical books, etc., shall be included in the appropriate superintendence accounts.

§ 10.335 *Other expenses.* This account shall include expenses in connection with the maintenance of equipment not properly chargeable to other accounts for maintenance of equipment or to clearing accounts such as "Material store expenses" and "Shop expenses."

ITEMS OF EXPENSE

Pay and expenses of mechanical department employees attending conferences with officers in connection with mechanical department wage disputes.
Fees paid arbitrators in connection with mechanical department wage disputes.
Payments to mechanical department employees for time absent on account of sickness when not in compensation for personal injuries.

§ 10.336 *Joint maintenance of equipment expenses—Dr.* This account shall include the carrier's proportion of expenses incurred by others in maintaining equipment used in the operation of joint facilities, including the carrier's proportion of the expenses of repairing such equipment damaged by accidents when such expenses are participated in by more than one carrier. It shall also include the carrier's proportion of expenses incurred by others in maintaining joint shop machinery and power-plant machinery.

NOTE: The purpose of this account is to show the amount accruing against the carrier for its proportion of the expense of maintaining equipment, shop machinery, and power-plant machinery, which is maintained by others and in the joint use of which the carrier participates.

§ 10.337 *Joint maintenance of equipment expenses—Cr.* This account shall include the amount chargeable to others as their proportion of expenses incurred by the carrier in maintaining equipment used in the operation of joint facilities, and for expenses of repairing equipment damaged by accidents, when such expenses are participated in by more than one carrier. It shall also include amounts chargeable to others as their proportions of the expenses incurred by the carrier in maintaining joint shop machinery and power-plant machinery.

NOTE: The purpose of this account is to show the amounts accruing in favor of the carrier due from others for their proportions of the expense of maintaining equipment, shop machinery, and power-plant machinery, which is maintained by the carrier and in the joint use of which others participate.

§ 10.338 *Equalization; equipment.* This account shall include adjustments of the differences between the actual and the budgeted or authorized maintenance of equipment expenses as provided in § 10.04–19 *Equalization of maintenance expenses.* The amounts included in this account shall concurrently be debited or credited to account 773½, "Equalization reserves."

§ 10.339 *Deferred maintenance; equipment.* This account shall include the estimated cost of repairs to equipment which cannot be made during the current year due to priorities for materials and supplies or shortage of labor.

This account shall be credited with amounts cleared from account 774, "Maintenance reserves," in accordance with the text of that account. (See § 10.04–25 *Deferred maintenance, and major repairs to equipment.*)

NOTE: Estimated costs of heavy or extraordinary repairs to equipment that are usually made at intervals of several years shall be charged to account 340, "Major repairs—Equipment."

§ 10.340 *Major repairs; equipment.* This account shall be charged with the estimated cost of anticipated major repairs to equipment that are usually made at intervals of several years.

This account shall be credited with amounts cleared from account 774, "Maintenance reserves," in accordance with the text of that account. (See § 10.04–25 *Deferred maintenance, and major repairs to equipment.*)

TRAFFIC

§ 10.350 *Traffic.* The primary accounts included in this general account are designed to show the expenses incurred for advertising, soliciting, and securing traffic for the carrier's lines and for preparing and distributing tariffs governing such traffic.

§ 10.351 *Superintendence.* This account shall include:

(a) *Pay of officers.* The pay of officers directly in charge of or engaged in supervising the procurement of traffic, and the preparation and distribution of tariffs, division sheets, and classifications.

LIST OF OFFICERS

Vice president.
Assistant to vice president.
Traffic director.
Traffic manager.
General freight agent.
Assistant general freight agent.
Chief of tariff bureau.
Traveling tariff inspector.
Live stock agent.
General passenger agent.
Assistant general passenger agent.
Division passenger agent.
Division freight agent.
General baggage agent.
General express agent.
General express manager.
Coal traffic agent.

(b) *Pay of clerks and attendants.* The pay of clerks and other employees in the offices and on business cars of officers whose pay is chargeable to this account.

LIST OF EMPLOYEES

Chief clerk.
Clerks.
File clerks.
Stenographers.
Messengers.
Cooks.
Porters.
Attendants.

(c) *Office and other expenses.* Office expenses and other expenses of officers and employees whose pay is chargeable to this account.

ITEMS OF EXPENSE AND SUPPLIES

Atlases and maps.
Barometers.
Bicycles.
Books for office use.
Business car service
Express charges.
Fees and dues in commercial and other clubs.
Furniture repairs and renewals.
Heating.
Lighting.
Official train service.
Periodicals and newspapers.
Power.
Provisions for business cars.
Rent for offices.
Repairs of rented offices.
Telegraph service.
Telephone service.
Traveling expenses.
Water and ice.

NOTE A: When officers designated above have supervision over more than one department, their salaries, the pay of their clerks and attendants, and their office and other expenses shall be apportioned equitably among the departments over which they have jurisdiction.

NOTE B: The pay and expenses of officers engaged exclusively in soliciting traffic are chargeable to account 352, "Outside agencies."

NOTE C: The cost of stationery for traffic offices is chargeable to account 358, "Stationery and printing," except stationery chargeable to accounts 354, 355, and 356.

§ 10.352 *Outside agencies.* This account shall include the pay, and the office, traveling, and other expenses of general, commercial, city, and district agents and others soliciting traffic, the employees of their offices, and traveling agents and solicitors located on or off the line of the carrier's road.

City ticket and freight offices, separate from regular station ticket and freight offices, shall be treated as outside agencies; the pay and expenses of the employees therein and the expenses of such offices shall be charged to this account.

Commissions for services pertaining to either freight or passenger business, except commissions paid in lieu of salaries to carrier's agents located upon the carrier's own line (which shall be charged to account 373, "Station employees"), shall be included in this account.

ITEMS OF EXPENSE

Bicycles.
Books for office use.

Express charges.
Furniture repairs and renewals.
Heating.
Lighting.
Membership fees and dues in agency associations.
Membership fees and dues in commercial clubs.
Office supplies.
Periodicals and newspapers.
Rent of offices.
Repairs of rented offices.
Telegraph service.
Telephone service.
Traveling expenses.
Water and ice.

§ 10.353 *Advertising.* This account shall include the cost of advertising for the purpose of securing traffic; pay of advertising agents, their clerks and attendants; rent of offices, and the office, traveling, and other expenses of such employees; also donations to carnivals, local development associations, summer schools, and other gatherings, when made for the purpose of increasing traffic.

ITEMS OF ADVERTISING EXPENSE

Advertisements in newspapers.
Advertisements in periodicals.
Bulletin boards and cards.
Card cases.
Customs charges on advertising matter.
Display and other advertising cards.
Distributing folders.
Distributing general notices to shippers.
Distributing time-tables.
Dodgers.
Express charges.
Frames.
Handbills.
Maps used for advertising.
Pamphlets.
Photographs and views.
Postage.
Posters.
Publishing advertising matter.
Publishing folders.
Publishing notices to shippers.
Publishing time-tables.
Racks.

NOTE: Advertising expenses of industrial and immigration bureaus shall be included in account 356, "Industrial and immigration bureaus."

§ 10.354 *Traffic associations.* This account shall include the cost to the carrier of participation in traffic associations, including its proportion of the pay of officers and employees of such associations and of their office, stationery and printing, traveling, and other expenses.

LIST OF TRAFFIC ASSOCIATIONS

Boards of trade.
Classification bureaus.
Clergy bureaus.
Commercial associations.
Freight associations.
Mileage ticket bureaus.
Passenger associations.
Tariff bureaus.
Ticket validating agencies.

§ 10.355 *Fast freight lines.* This account shall include the cost to the carrier of participation in fast freight or dispatch organizations, including its proportion of the pay of officers, soliciting agents, and employees of such organizations, and their office, stationery and printing, traveling, and other expenses.

§ 10.356 *Industrial and immigration bureaus.* This account shall include the cost to the carrier of industrial and immigration bureaus, including the pay of industrial and immigration agents, and exhibit agents, their clerks and attendants and their office, stationery and printing, traveling, and other expenses.

ITEMS OF EXPENSE

Advertising.
Agricultural trains.
Dairy trains.
Donations to expositions.
Donations to fairs.
Donations to stock shows.
Exhibits.
Experimental farms.
Good roads trains.
Premiums to fairs.
Premiums to stock shows.

§ 10.357 *Insurance.* This account shall include premiums, except reinsurance premiums, for insuring the carrier against loss through injuries to persons or damage to or destruction or loss of property, whether caused by fire, accident, or other cause, when such loss to the carrier would be chargeable to Traffic; also premiums on fidelity bonds of employees whose pay is chargeable to Traffic. (See § 10.04–18 *Insurance.*)

NOTE: The premiums paid by the carrier to its insurance fund shall be credited to an insurance reserve account, to which account the amount of all claims for injuries to persons and damages to the property covered by its insurance shall be charged. To such account shall also be charged all reinsurance premiums paid to insurance companies, and to it shall be credited all amounts recovered from insurance companies for damage to the property reinsured by them.

§ 10.358 *Stationery and printing.* This account shall include the cost of stationery and printing used in connection with securing traffic, including the cost of tariffs governing such traffic.

STATIONERY AND PRINTING ITEMS

Adding machines.
Arm rests.
Binders.
Blank books.
Blotters.
Blotting paper.
Bristol board.
Calculating machines.
Calendars.
Carbon paper.
Cardboard.
Cards, blank and printed.
Circulars.
Classifications.
Computing tables.
Copy (impression) books.
Copying brushes.
Copying presses.
Crayons.
Cyclostyles.
Dating stamps and ribbons.
Dictaphones.
Dictographs.
Division sheets.
Duplicators.
Electric pens.
Envelopes.
Erasers, rubber and steel.
Eyelet punches.
Eyelets.
File boxes, paper.
Flexotype machines.
Forms, blank and printed.
Freight classifications.
Glass pens.
Hectographs.
Indexes.
Ink for writing and drawing.
Inkstands.
Invoice books.
Legal cap paper.
Letter paper.
Manifold paper.
Manifold pens.
Mimeographs.
Mucilage.
Mucilage brushes.
Neostyles.
Note paper.
Notices.
Numbering stamps.
Oil paper.
Paper.
Paper baskets.
Paper clips.
Paper cutters.
Paper fasteners.
Paper files.
Paper weights.
Papyrographs.
Pencil sharpeners.
Pencils for writing and drawing.
Penholders.
Penracks.
Pens for writing and drawing.
Phonographs and records.
Pins.
Postage.
Punches (not conductors' or baggagemen's).
Rate sheets.
Rubber bands.
Rubber stamps.
Rulers.
Ruling pens.
Scrapbooks.
Sealing wax.
Seals.
Shears.
Shipping tags.
Shorthand notebooks.
Sponge cups.
Sponges.
Stamps, impression.
Stylographs.
Tablets, blank and printed.
Tape.
Tariffs, printed.
Telegraph blanks.
Tissue (impression) paper.
Typewriters and ribbons.
Wage tables.
Wastebaskets.
Water colors.
Water holders.
Wrapping paper.
Wringers for copying presses.

NOTE A: The cost of dictionaries, periodicals, technical books, etc., shall be included in the appropriate superintendence accounts.

NOTE B: The cost of stationery and printing used by traffic associations, fast freight lines, and industrial and immigration bureaus shall be included in the accounts provided for the expenses of such organizations.

§ 10.359 *Other expenses.* This account shall include all expenses in connection with traffic not properly chargeable to other traffic accounts.

TRANSPORTATION

§ 10.370 *Transportation; rail line.* The primary accounts included in this general account are designed to show expenses incurred for transporting persons and the property of others, including the expenses of station, train, yard, and terminal service; also the expense of transporting company material in transportation service trains.

§ 10.371 *Superintendence.* This account shall include:

(a) *Pay of officers.* The pay of officers directly in charge of or engaged in conducting transportation.

LIST OF OFFICERS

Vice president.
Assistant to the vice president.
General manager.
Assistant general manager.
General superintendent of transportation.
Superintendent of transportation.
General superintendent.
Assistant general superintendent.
Superintendent.
Division superintendent.
Assistant division superintendent.
Superintendent of car service.
Chief special agent.
Members of examining boards.
Superintendent of mail service.
Traveling train and station inspectors.
Air-brake instructor.
Superintendent of agencies.
Superintendent of transfer stations.
Trainmaster.
Assistant trainmaster.
General road foreman of locomotives.
Road foreman of locomotives.
Traveling locomotive engineer.
Traveling locomotive fireman.

(b) *Pay of clerks and attendants.* The pay of clerks and others employed in the offices and on busines cars of officers whose pay is chargeable to this account.

LIST OF EMPLOYEES

Division clerk.
Chief clerk.
Clerks.
Special agents.
Detectives.
Stenographers.
Messengers.
Cooks.
Porters.

(c) *Office and other expenses.* Office expenses and other expenses of officers and employees whose pay is chargeable

to this account; also the pay and expenses of employees attending investigations concerning the cause of or responsibility for accidents, and amounts paid detective agencies and others for work in connection with such investigations.

ITEMS OF EXPENSE AND SUPPLIES

Atlases and maps.
Barometers.
Books for office use.
Business car service.
Express charges.
Fees and dues in associations.
Furniture repairs and renewals.
Heating.
Lighting.
Official train service.
Periodicals and newspapers.
Power.
Provisions for business cars.
Rent of air-brake instruction cars.
Rent of offices.
Repairs of rented offices.
Telegraph service.
Telephone service.
Traveling expenses.
Water and ice.

NOTE A: When officers designated above have supervision over more than one department, their salaries, the pay of their clerks and attendants, and their office and other expenses shall be apportioned equitably among the departments over which they have jurisdiction.

NOTE B: The cost of stationery purchased for transportation offices is chargeable to account 410, "Stationery and printing."

§ 10.372 *Dispatching trains.* This account shall include the pay of chief and other train dispatchers, their clerks, copying operators, and attendants, and pay of operators on the line whose duties are confined to directing train movements; also the office, traveling, and other expenses of such employees.

NOTE: Pay of operators who also perform station work shall be charged to account 373, "Station employees."

§ 10.373 *Station employees.* This account shall include:

(a) *Agents, clerks, and attendants.* The pay of agents, clerks, and attendants in charge of, or engaged in, the operation of stations, wharves, and piers located on the carrier's line; also payments to such station or ticket agents in lieu of salaries.

Special payments to customs inspectors on account of opening and resealing cars under unusual conditions, and payments to produce-exchange inspectors for inspecting, measuring, and weighing grain shall be here included.

LIST OF EMPLOYEES

Accountants.
Assistant agents.
Assistant depot masters.
Assistant station masters.
Baggage agents at stations.
Baggagemen.
Car clerks.
Cashiers.
Chauffeurs.
Clerks.
Collectors.
Customs inspectors.
Depot masters.
Detectives.
Express agents.
Gatemen.
Information bureau employees.
Janitors.
Maids.
Matrons.
Messengers.
Package and parcel room employees.
Policemen.
Porters.
Relief agents.
Station agents.
Station foremen.
Station passenger agents.
Station freight agents.
Stationmasters.
Telegraph and telephone operators.
Ticket agents.
Ticket collectors.
Ticket examiners.
Train callers.
Ushers.
Watchmen.

(b) *Labor at stations.* Station and other labor expended in handling freight, mail, baggage, and express at stations, wharves, and piers; in loading, unloading, feeding, and watering stock; in disinfecting stations, stockyards, and stock pens; in transferring, picking up, straightening, and reloading freight in the ordinary course of transportation; in miscellaneous station work, including (when done by station employees) cleaning station grounds, station platforms, walks, stockyards, and stock pens, and removing snow and ice therefrom; and in tending switch lamps not in yards and terminals.

Payments to elevator companies (when not made as division of rate) for transferring grain en route, and payments to other companies and individuals for load loading and unloading commercial freight under contract or otherwise shall be included in this account.

LIST OF EMPLOYEES

Baggage storeroom employees.
Car sealers.
Checkmen.
Coal handlers.
Coopers.
Delivery men.
Electricians.
Freight callers.
Freight handlers.
Freight house foremen.
Freight loaders.
Freight unloaders.
Longshoremen.
Mail carriers.
Mail weighers.
Station cleaners.
Stationary engineers.
Stationary firemen.
Stevedores.
Stock-pen laborers.
Tallymen.
Teamsters.
Truckmen.
Warehousemen.
Weighmasters.

NOTE A: The cost of transferring freight, mail, baggage, and express on account of wrecks shall be included in account 415, "Clearing wrecks."

NOTE B: This account shall not include the pay of telegraph and telephone operators provided for under accounts 372, "Dispatching trains," and 407, "Telegraph and telephone operation," or pay of employees provided for under account 375, "Coal and ore wharves."

§ 10.374 *Weighing, inspection, and demurrage bureaus.* This account shall include the cost to the carrier of its participation in joint weighing, inspection, demurrage, and car distribution bureaus and associations.

§ 10.375 *Coal and ore wharves.* This account shall include cost of operating docks, and wharves, piers, and other marine, lake, or river landings, and the machinery located thereon, used in connection with the transportation of coal and ore.

(a) *Labor and expenses.* The pay and the office, traveling, and other expenses of employees engaged in operating coal and ore wharves.

(b) *Tools and supplies.* The cost of all tools and supplies used in the operation of coal and ore wharves.

ITEMS OF TOOLS AND SUPPLIES

Cylinder oil.
Fuel for stationary boilers.
Illuminating oil.
Lantern parts.
Lanterns.
Lubricating oil.
Picks.
Shovels.
Slice bars.
Waste.
Wicks.

NOTE: The cost of switching service in connection with coal and ore wharves shall not be included in this account.

§ 10.376 *Station supplies and expenses.* This account shall include:

(a) *Heating.* The cost of fuel (including cost of unloading), water, steam, and miscellaneous supplies used for heating stations, waiting rooms, freight and passenger offices, and other station buildings.

(b) *Lighting.* The cost of fuel, water, gas, oil, electricity, lamp globes, lamp chimneys, wicks, lamp carbons, incandescent lamps, and miscellaneous supplies used in lighting stations, waiting rooms, freight and passenger offices, other station buildings, street approaches thereto, and passenger footbridges and subways at stations.

(c) *Other expenses.* The cost of miscellaneous station supplies and station expenses.

ITEMS OF EXPENSE

Cleaning privy vaults.
Express charges.
Feeding and shoeing horses.
Furniture repairs and renewals.
Garage expenses.
Licenses for ticket agents.
Mail transfer by others than employees.
Membership fees and dues in agents' associations.
Power for station machinery.
Rent of automatic weighing and recording devices.
Rent of scales.
Rent of station buildings (not jointly used).
Reports to agents of commercial standing.
Sprinkling station grounds.
Station employees' expenses.
Telegraph service.
Telephone service.
Warehouse charges for storage of freight.
Washing towels.

ITEMS OF TOOLS AND SUPPLIES

Atlases and maps.
Auto trucks.
Awnings.
Axes.
Badges.
Baggage checks.
Barometers.
Baskets.
Bicycles.
Blocking.
Brooms.
Brushes.
Buckets.
Bulletin boards.
Call bells.
Candles.
Car-seal presses.
Car seals.
Carpets.
Chains.
Chair cushions.
Chairs.
Chalk.
Chamois skins.
Check boxes.
Check racks.
Checks.
Clocks.
Coal hods.
Cold chisels.
Cooperage material.
Copy-press stands.
Counter brushes.
Counter scales.
Cups.
Curtains.
Cuspidors.
Desks.
Dippers.
Directories.
Dusters.
Electric fans.
Electric lamps.
Electric-light supplies.
Feather dusters.
Feed for horses.
Files, document.
Fire buckets.
Fire grenades.
Flags.
Floor coverings.
Gangplanks.
Gas.
Gasoline.
Hampers.
Hatchets.
Hoes.
Hooks.
Hose and couplings.
Ice.
Ice barrels.
Ice boxes.
Ice buckets.
Ice carts.
Ice tongs.
Keys.
Ladders.
Lamp burners.
Lamp chimneys.
Lamp fittings.
Lamp globes.
Lamp mantles.
Lampblack.
Lamps (not permanently attached to buildings).
Lantern fittings.
Lantern globes.
Lanterns.
Letter boxes.
Mail bags.
Marking brushes.
Marking pots.
Marline.
Matches.
Measures.
Medical boxes.
Medical supplies.
Mirrors.

Money drawers.
Nails for boxing.
Newspapers.
Oil..
Oil cans.
Packing material.
Padlocks.
Pails.
Pinch bars.
Punches for baggagemen and gatemen.
Rakes.
Reflectors.
Rolling chairs for invalids.
Safes.
Sawdust.
Saws.
Scoops.
Scales, portable.
Scrubbing brushes.
Settees.
Shovels.
Sledges.
Soap.
Spades.
Sponges.
Sprinkling cans.
Stools.
Stove blacking.
Stoves and stovepipe.
Switch lamp supplies at points where regular switching service is not maintained.
Tables.
Tacks.
Tarpaulins (not for cars).
Thermometers.
Ticket cases.
Tongs.
Tool boxes.
Torpedoes.
Towels.
Trucks.
Twine.
Uniforms.
Washbasins.
Waste.
Water.
Water barrels.
Water bowls.
Water cans.
Water coolers.
Water pails.
Wheelbarrows.
Whisk brooms.
Wicks.
Wrenches.

§ 10.377 *Yardmasters and yard clerks.* This account shall include the pay of general yardmaster, yardmaster, assistant yardmaster, general yard foreman, and yard clerks and attendants in yards where regular switching service is maintained and in terminal switching and transfer service, including employees engaged in calling yardmen and trainmen; also pay of policemen, watchmen, and detectives in yard service. (See account 389, "Yard supplies and expenses.")

§ 10.378 *Yard conductors and brakemen.* This account shall include the pay of yard conductors or foremen and yard brakemen or switchmen handling cars in passenger and freight yards where regular switching service is maintained and in terminal switching and transfer service, including pay while dead-heading in connection with such service. (See account 389, "Yard supplies and expenses.")

NOTE: When conductors and brakemen are engaged in both train and yard service their pay shall be apportioned between the train and yard accounts on the basis of service rendered. This does not apply to train switching service performed by train crews, the entire pay of whom shall be charged to account 401, "Trainmen."

§ 10.379 *Yard switch and signal tenders.* This account shall include the pay of employees in yards where regular switching service is maintained, who are engaged in the operation of yard switches and signals, including interlockers used solely or principally for the government of all movements of locomotives and trains between main and yard tracks, movements of locomotives between yard tracks and engine houses, and yard switching movements. (See account 389, "Yard supplies and expenses.")

LIST OF EMPLOYEES

Battery men.
Interlocker oils.
Lamp cleaners.
Lamp men.
Lamplighters.
Lever men.
Signalmen.
Switch oilers.
Switch tenders.
Tower men.

§ 10.380 *Yard enginemen.* This account shall include the pay of yard engineers, and firemen while engaged in yards where regular switching service is maintained and in terminal switching and transfer service, including pay of such employees while deadheading in connection with yard service.

NOTE: The pay of enginemen on locomotives engaged in more than one class of service shall be apportioned on the basis of service rendered. Pay of enginemen on train locomotives while engaged in train switching service shall be included in account 392, "Train enginemen." The pay of enginemen on locomotives engaged in work service shall be included in the cost of the work to which the service pertains.

§ 10.381 *Yard motormen.* This account shall include the pay of yard motormen while engaged in switching service in yards where regular switching service is maintained, and in terminal switching and transfer service, including pay of such employees while deadheading in connection with yard service.

NOTE: The pay of motormen on locomotives engaged in more than one class of service shall be apportioned on the basis of service rendered. Pay of motormen on train locomotives while engaged in train switching service shall be included in account 393, "Train motormen." The pay of motormen on locomotives engaged in work service shall be included in the cost of the work to which the service pertains.

§ 10.382 *Yard switching fuel.* This account shall include the cost, delivered on locomotives or motor cars, of coal, coke, oil, wood, and other fuels consumed in switching service in yards where regular switching service is maintained, and in terminal switching and transfer service, including a suitable proportion of the pay of fuel agents, fuel inspectors, fuel weighers, and clerks engaged in accounting for fuel at fuel stations; pay of foremen and other fuel-station employees; also a suitable proportion of the cost of tools, such as wheelbarrows, shovels, scoops, and picks, used for handling fuel at such stations and the cost of operating machinery at fuel stations.

NOTE A: The cost of repairs and renewals of coal chutes, buggies, pockets, air hoists, mechanical hoists, and mechanical conveyors at fuel stations shall be charged to account 233, "Fuel stations."

NOTE B: The cost of supplies consumed by locomotives and motor cars engaged in more than one class of service shall be apportioned upon the basis of service rendered. The cost of supplies consumed by train locomotives and motor cars in train switching service shall be included in accounts provided for train service. The cost of supplies consumed by locomotives and motor cars in work service shall be included in the cost of the work to which the service pertains.

§ 10.383 *Yard switching power produced.* This account shall include the cost of the production and distribution of electric power used in operating locomotives and cars in switching service in yards where regular switching service is maintained, and in terminal switching and transfer service.

(a) *Employees.* The pay of employees engaged in operating electric-power stations and substations, such as engineers, firemen, electricians, dynamo men, oilers, cleaners, and coal passers.

(b) *Fuel.* The cost of coal, oil, gas, and other fuel, including the cost of labor unloading or stocking fuel.

(c) *Water.* The cost of water used to produce steam or to operate water plants, including pumping, rent of ponds, streams, and pipe lines; also water tests, boiler compounds, and other like supplies and expenses.

(d) *Other supplies and expenses.* The cost of lubricants, such as oil and grease used in lubricating engines, shafting, dynamos, and pumps; cost of waste, carbon brushes, fuses, lamps, and other supplies; also the cost of heating and lighting power plants, and other expenses not elsewhere specified in connection with operation of electric-power plants. (See § 10.04–12 *Power plant operations.*)

NOTE: The cost of supplies consumed by locomotives engaged in more than one class of service shall be apportioned upon the basis of service rendered. The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

§ 10.384 *Yard switching power purchased.* This account shall include the cost of electric power purchased for the propulsion of engines and cars in switching service in yards where regular switching service is maintained, and in terminal switching and transfer service.

NOTE: The cost of supplies consumed by locomotives engaged in more than one class of service shall be apportioned upon the basis of service rendered. The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

§ 10.385 *Water for yard locomotives.* This account shall include the cost of water supplied to locomotives in switching service in yards where regular switching service is maintained, and in terminal switching and transfer service, including rent of ponds, lakes, other sources of water supply, and right of way for pipe lines; cost of water purchased, expenses of work trains while engaged in hauling water for locomotive supply, and cost of testing water; also cost of labor expended and cost of materials and supplies used in the operation of water stations and purifying plants.

The cost of operating boilers, engines, and pumps at water stations; heating and lighting water stations, breaking ice in water tanks, thawing out tank spouts and water cars, keeping fires in tanks and water cars to prevent freezing, shoveling snow into locomotive tanks; also temporary connections between water cars and locomotive tenders, compounds injected into locomotive boilers to decrease scale formation, and other expenses directly incident to the supplying of water to such locomotives, shall be included in this account.

An equitable proportion of the pay and the office, traveling, and other expenses of superintendent of water service engaged in connection with water supply for locomotives shall be included in this account.

ITEMS OF WATER STATION SUPPLIES

Axes.
Boiler compounds.
Chemicals.
Coal.
Coal picks.
Engine igniter batteries.
Gasoline.
Gasoline drums.
Hand tools.
Hose.
Oil.
Rubber packing.
Shovels.
Siphons.
Slice bars.
Stove fixtures.
Stoves.
Waste.
Wrenches.

NOTE: The cost of supplies consumed by locomotives engaged in more than one class of service shall be apportioned upon the basis of service rendered. The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

§ 10.386 *Lubricants for yard locomotives.* This account shall include the cost of valve, engine, car, and other lubricating oils, grease, compounds, and waste used for lubrication of locomotives in switching service in yards where regular switching service is maintained and in terminal switching and transfer service.

NOTE: The cost of supplies consumed by locomotives engaged in more than one class of service shall be apportioned upon the basis of service rendered. The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

§ 10.387 *Other supplies for yard locomotives.* This account shall include the cost of supplies, other than fuel, water, and lubricants, used on locomotives in switching service in yards where regular switching service is maintained and in terminal switching and transfer service, including the cost of repairs and renewals of furniture, tools, and other movable articles required for use on locomotives in yard service.

The cost of sand charged to this account shall include the cost of material and supplies used in preparing and drying the sand for use, such as the cost of fuel, wheelbarrows, shovels, and sand screens.

ITEMS OF TOOLS AND SUPPLIES

Ash hoes.
Ash-pan rods.
Axes.
Bars, buggy.
Bell cords.
Boxes, portable.
Brooms.
Brushes.
Buckets.
Carbide for acetylene gas.
Carbons for electric lights.
Chimneys for headlights.
Chimneys for signal lamps.
Chisels.
Clinker hooks.
Crowbars.
Files.
First-aid boxes.
Flags.
Globes for lanterns.
Grate shakers.
Hammers.
Handsaws.
Hatchets.
Hose (not air-brake, air-signal, or steam).
Hose, thaw-out.
Hose reels.
Ice.
Jacks.
Jackscrews.
Lanterns and parts.
Locks for portable boxes.
Matches.
Oil cans.
Oil for headlights.
Oil for lanterns.
Oil for signal lamps.
Oil for torches.
Oilers.
Packing hooks.
Packing spoons.
Picks, coal.
Pinch bars.
Plugging bars.
Pokers.
Sand.
Saws.
Scoops.
Shovels.
Signal lamps.
Sledges.
Slice bars.
Soap.
Switch chains.
Switch poles.
Switch ropes.
Tool boxes, portable.
Torches.
Torpedoes.
Waste.
Water buckets.
Water coolers.
Wicks for headlights.
Wicks for lanterns.
Wicks for signal lamps.
Wicks for torches.
Wrecking frogs.
Wrenches.

NOTE A: Where the quantity of sand used on locomotives engaged in yard service is relatively small as compared with the quantity used by locomotives engaged in train service, the entire cost of such material shall be included in account 399, "Other supplies for train locomotives." Where the quantity used in yard service is relatively large, the entire cost shall be included in this account.

NOTE B: The cost of other supplies consumed by locomotives engaged in more than one class of service shall be apportioned upon the basis of service rendered. The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

§ 10.388 *Enginehouse expenses; yard.* This account shall include the expense of caring for and preparing locomotives for switching service in yards where regular switching service is maintained and in terminal switching and transfer service, including a proportion of such expenses as are common to train, yard switching, and work service.

(a) *Enginehouse men.* The pay of enginehouse employees engaged in wiping, cleaning, watching, and dispatching locomotives; keeping and preparing fires, dumping ashes, washing boilers, cleaning fire boxes, packing driving boxes and truck boxes; cleaning smokestacks, air-brake equipment, and front ends of locomotives; checking locomotive tool equipment, cleaning ash and cinder pits; operating turntables, drying sand, inspecting smokestacks and ash pans; calling enginemen, and moving locomotives around engine yards when operated by hostlers; also a proportion of the pay of enginehouse foremen and their clerks.

(b) *Miscellaneous expenses.* The cost of tools, supplies, and sundry expenses on account of caring for and preparing locomotives at enginehouses.

ITEMS OF MISCELLANEOUS EXPENSES

Boiled oil.
Compounds for cleaning and polishing.
Enginehouse cupboards.
Gas, oil, and electricity for lighting.
Heating enginehouses, including offices.
Lampblack.
Lanterns used by enginehouse men.
Lighting enginehouses, including offices.
Lubricating oil for enginehouse, ash pit, transfer table, and turntable machinery.
Lye.
Packing tools.
Paint for front ends of locomotives.
Power for operation of turntables and transfer tables.
Rent of roundhouse stalls.
Shovels.
Signal lights on transfer tables and turntables.
Waste.
Water for cinder pits.
Water for washing boilers.
Water hose.
Wheelbarrows.

NOTE A: Enginehouse expenses of locomotives in work service shall be included in the cost of the work to which the service pertains.

NOTE B: The pay of mechanics and laborers engaged in locomotive repair work in enginehouses shall be charged to the appropriate accounts for locomotive repairs.

§ 10.389 *Yard supplies and expenses.* This account shall include the cost of supplies (except locomotive supplies) used in yard service, yard signal and interlocker supplies, and miscellaneous yard expenses for yards where regular switching service is maintained; also office and other expenses of employees whose pay is chargeable to accounts 377, 378, and 379.

ITEMS OF YARD SUPPLIES

Electric-light carbons.
Electric-light globes
Flags.
Fuel for heating.
Fuel for power.
Illuminating oil.
Lamp burners.
Lamp chimneys.
Lamp wicks.
Lantern globes.
Lantern wicks.
Lanterns.
Lubricants for machinery and switches.
Semaphore lamps.
Signal lamps.
Stoves.
Switch chains.
Switch lamps.
Switch ropes.
Waste.
Wrecking frogs.
Wrecking wedges.

ITEMS OF YARD EXPENSE

Electricity purchased for lighting yards and yard buildings.
Furniture repairs and renewals.
Gas purchased for lighting yards and yard buildings.
Power produced for operating switches and signals.
Power purchased for operating switches and signals.
Rent of telephones.
Rent of yard buildings (not jointly used).

§ 10.390 *Operating joint yards and terminals—Dr.* This account shall include the carrier's proportion of the costs incurred by others in their operation of joint yards and terminals, including signals, interlockers, and other facilities at such joint yards and terminals.

NOTE A: The purpose of this account is to show the amounts accruing against the carrier for its proportion of the cost of operating yards and terminals operated by others, and in the joint use of which the carrier participates. (See § 10.04–9 *Joint facility accounts.*)

NOTE B: No portion of expenses chargeable by the operating carrier to accounts 392 to 403, inclusive, shall be included in this account.

§ 10.391 *Operating joint yards and terminals—Cr.* This account shall include amounts chargeable to others as their proportions of the costs incurred by the carrier in the operation of joint yards and terminals, including signals, interlockers, and other facilities at such joint yards and terminals.

NOTE A: The purpose of this account is to show the amounts accruing in favor of the carrier and against others for their proportions of the cost of operating yards and terminals operated by the carrier and in the joint use of which others participate. (See § 10.04–9 *Joint facility accounts.*)

NOTE B: No portion of expenses chargeable by the operating carrier to accounts 392 to 403, inclusive, shall be included in this account.

§ 10.392 *Train enginemen.* This account shall include the pay of steam locomotive engineers and firemen while en-

gaged in transportation train service or while deadheading in connection therewith and pay of such enginemen engaged in piloting trains over home lines; also the pay of employees while regularly engaged in shoveling coal forward on locomotive tenders.

NOTE: The pay of enginemen on locomotives engaged in more than one class of service shall be apportioned on the basis of service rendered. Pay of enginemen on train locomotives while engaged in train switching service shall be included in this account. The pay of enginemen on locomotives engaged in work service shall be included in the cost of the work to which the service pertains.

§ 10.393 *Train motormen.* This account shall include the pay of motormen while engaged in running other than steam locomotives and cars in transportation train service or while deadheading in connection therewith; also the pay and expenses of motormen while engaged in piloting trains or cars over home lines.

NOTE: The pay of motormen on locomotives engaged in more than one class of service shall be apportioned on the basis of service rendered. Pay of motormen on train locomotives while engaged in train switching service shall be included in this account. The pay of motormen on locomotives engaged in work service shall be included in the cost of the work to which the service pertains.

§ 10.394 *Train fuel.* This account shall include the cost, delivered on locomotives or motor cars, of coal, coke, oil, wood, and other fuel for propulsion of trains in transportation-train service, including a suitable proportion of the pay of fuel agents, fuel inspectors, fuel weighers, and clerks engaged in accounting for fuel at fuel stations; pay of foremen and other fuel station employees; also a suitable proportion of the cost of tools, such as wheelbarrows, shovels, scoops, and picks, used for handling fuel at such stations, and the cost of operating machinery at fuel stations.

NOTE A: The cost of repairs and renewals of coal chutes, buggies, pockets, air hoists, mechanical hoists, and mechanical conveyors at fuel stations shall be charged to account 233, "Fuel stations."

NOTE B: The entire cost of supplies consumed by train locomotives and motor cars in train-switching service shall be included in the accounts provided for train service. The cost of supplies consumed by locomotives and motor cars in work service shall be included in the cost of the work to which the service pertains.

§ 10.395 *Train power produced.* This account shall include the cost of producing and distributing electric power for the propulsion of electric locomotives and cars in transportation train service.

(a) *Employees.* The pay of employees engaged in operating electric-power stations and substations, such as engineers, firemen, electricians, dynamo men, oilers, cleaners, and coal passers.

(b) *Fuel.* The cost of coal, oil, gas, and other fuel, including the cost of labor unloading or stocking fuel.

(c) *Water.* The cost of water used to produce steam or to operate water plants, including pumping, rent of ponds, streams, and pipe lines; also water tests, boiler compounds, and other like supplies and expenses.

(d) *Other supplies and expenses.* The cost of lubricants, such as oil and grease, used in lubricating engines, shafting, dynamos, and pumps; cost of waste, carbon brushes, fuses, lamps, and other supplies; also cost of heating and lighting power plants, and other expenses not elsewhere specified in connection with operation of electric-power plants. (See § 10.04–12 *Power plant operations.*)

NOTE: The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work servce shall be included in the cost of the work to which the service pertains.

§ 10.396 *Train power purchased.* This account shall include the cost of electric power purchased for the propulsion of locomotives and cars in transportation train service.

NOTE: The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

§ 10.397 *Water for train locomotives.* This account shall include the cost of water supplied to locomotives in transportation train service, including rent of ponds, lakes, other sources of water supply, and right of way for pipe lines; cost of water purchased, expenses of supply trains while engaged in hauling water for locomotive supply, and cost of testing water; also cost of labor expended and cost of material and supplies used in the operation of water stations and purifying plants.

The cost of operating boilers, engines, and pumps at water stations, heating and lighting water stations, breaking ice in water tanks, thawing out tank spouts and water cars, keeping fires in tanks and water cars to prevent freezing, shoveling snow into locomotive tanks; also temporary connections between water cars and locomotive tenders, compounds injected into locomotive boilers to decrease scale formation, and other expenses directly incident to the supplying of water to such locomotives, shall be included in this account.

An equitable proportion of the pay and the office, traveling, and other expenses of superintendent of water service, engaged in connection with water supply for locomotives, shall be included in this account.

ITEMS OF WATER STATION SUPPLIES

Axes.	Hose.
Boiler compounds.	Oil.
Chemicals.	Rubber packing.
Coal.	Shovels.
Coal picks.	Siphons.
Engine igniter batteries.	Slice bars.
Gasoline.	Stove fixtures.
Gasoline drums.	Stoves.
Hand tools.	Waste.
	Wrenches.

NOTE: The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

§ 10.398 *Lubricants for train locomotives.* This account shall include the cost of valve, engine, car, and other lubricating oils, grease, compounds, and waste used for lubrication of locomotives in transportation train service.

NOTE: The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

§ 10.399 *Other supplies for train locomotives.* This account shall include the cost of supplies other than fuel, water, and lubricants, including the cost of repairs and renewals of furniture, tools, and other movable articles required for use on locomotives in transportation train service.

The cost of sand charged to this account shall include the cost of material and supplies used in preparing and drying the sand for use, such as the cost of fuel, wheelbarrows, shovels, and sand screens.

ITEMS OF TOOLS AND SUPPLIES

Ash hoes.	Matches.
Ash-pan rods.	Oil cans.
Axes.	Oil for headlights.
Bars, buggy.	Oil for lanterns.
Bell cords.	Oil for signal lamps.
Boxes, portable.	Oil for torches.
Brooms.	Oilers.
Brushes.	Packing, fiber.
Buckets.	Packing, rubber.
Carbide for acetylene gas.	Packing, hooks.
	Packing spoons.
Carbons for electric lights.	Picks, coal.
	Pinch bars.
Chimneys for headlights.	Plugging bars.
	Pokers.
Chimneys for signal lamps.	Sand.
	Saws.
Chisels.	Scoops.
Clinker hooks.	Shovels.
Crowbars.	Signal lamps.
Files.	Sledges.
First-aid boxes.	Slice bars.
Flags.	Soap.
Globes for lanterns.	Switch chains.
Grate shakers.	Switch poles.
Hammers.	Switch ropes.
Handsaws.	Tool boxes, portable.
Hatchets.	Torches.
Hose (not air-brake, air-signal, or steam).	Torpedoes.
	Waste.
	Water buckets.
Hose, thaw-out.	Water coolers.
Hose reels.	Wicks for headlights.
Ice.	Wicks for lanterns.
Jacks.	Wicks for signal lamps.
Jackscrews.	
Lanterns and parts.	Wicks for torches.
Locks for portable boxes.	Wrecking frogs.
	Wrenches.

NOTE A: Where the quantity of sand used on locomotives engaged in train service is relatively small as compared with the quantity used by locomotives engaged in yard service, the entire cost of such material shall be included in account 387, "Other supplies for yard locomotives." Where the quantity used in train service is relatively large, the entire cost shall be included in this account.

NOTE B: The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

§ 10.400 *Enginehouse expenses; train.* This account shall include the expense

of caring for and preparing locomotives for transportation train service, including a proportion of such expenses as are common to train, yard switching, and work service.

(a) *Enginehouse men.* The pay of enginehouse employees engaged in wiping, cleaning, watching, and dispatching locomotives; preparing and keeping fires, dumping ashes, washing boilers, cleaning fire boxes, packing driving boxes and truck boxes; cleaning smokestacks, air-brake equipment, and front ends of locomotives; checking locomotive tool equipment, cleaning ash and cinder pits; operating turntables, drying sand, inspecting smokestacks and ash pans; and moving locomotives around engine yards when operated by hostlers; also a proportion of the pay of enginehouse foremen and their clerks.

(b) *Miscellaneous expenses.* The cost of tools and supplies and sundry expenses on account of caring for and preparing locomotives at enginehouses.

ITEMS OF MISCELLANEOUS EXPENSES

Boiled oil.
Compounds for cleaning and polishing.
Gas, oil, and electricity for lighting.
Heating enginehouses, including offices.
Lampblack.
Lanterns used by enginehouse men.
Lighting enginehouses, including offices.
Lubricating oil.
Lye.
Packing tools.
Paint for front ends of locomotives.
Power for operation of turntables and transfer tables.
Rent of roundhouse stalls.
Shovels.
Signal lights on transfer tables and turntables.
Waste.
Water for cinder pits.
Water for washing boilers.
Water hose.
Wheelbarrows.

NOTE A: Enginehouse expenses of locomotives in work service shall be included in the cost of the work to which the service pertains.

NOTE B: The pay of mechanics and laborers engaged in locomotive repair work in enginehouses shall be charged to the appropriate accounts for locomotive repairs.

§ 10.401 *Trainmen.* This account shall include the pay of conductors; of train auditors, ticket collectors, and others engaged in lifting or examining authorities for transportation; and of baggagemen, brakemen, flagmen, train porters, train guards, train stenographers, maids, and other train employees while engaged in transportation train service or while deadheading in connection therewith; also the pay of trainmen while engaged in piloting trains over home lines.

NOTE: The pay of trainmen while engaged in work-train service shall be included in the cost of the work to which the service pertains.

§ 10.402 *Train supplies and expenses.* This account shall include miscellaneous expenses of transportation service trains and the cost of all supplies other than locomotive supplies.

(a) *Cleaning cars.* The cost of cleaning and disinfecting passenger and freight cars in transportation train service, including cost of removing from freight-train cars such refuse material as sawdust, hay, and straw.

ITEMS OF SERVICE AND SUPPLIES

Brooms.
Brushes.
Cleaning compounds.
Compressed air.
Disinfectants.
Disinfecting machines.
Fuel for heating water.
Hose and fixtures.
Labor of employees.
Polishing compounds.
Soap.
Sponges.
Water.

(b) *Heating cars.* The cost of heating cars in transportation train service, including cost of operating steam-heating plants for car heating at stations and yards.

ITEMS OF SERVICE AND SUPPLIES

Connections between steam heating lines and cars.
Fuel.
Labor of employees.
Removal of ashes from car stoves.
Stoves temporarily in freight cars.

(c) *Lighting cars.* The cost of lighting cars in transportation train service, including the cost of filling and cleaning lamps and of operating plants for supplying gas or electricity for lighting purposes.

ITEMS OF SERVICE AND SUPPLIES

Battery renewals.
Candles.
Chimneys.
Electricity.
Gas.
Gas mantles.
Globes.
Hose and connections.
Incandescent lamp bulbs.
Labor of employees.
Lamp carbons.
Oil.
Shades.
Wicks.

NOTE: Repairs of gas lighting and electric lighting plants shall be included in the proper maintenance accounts. Repairs and renewals of electric lighting equipment of cars, except supplies as above provided, shall be included in the appropriate car-repair account.

(d) *Lubricating cars.* The cost of lubricating cars in transportation train service, including cost of inspecting, repacking, and oiling car journal boxes and air-brake equipment.

ITEMS OF SERVICE AND SUPPLIES

Cotton waste.
Grease buckets.
Labor of employees.
Oil cans.
Oil, grease, and other lubricants.
Packing buckets.
Packing hooks.
Packing irons.
Packing, miscellaneous.
Wool waste.

(e) *Icing and watering cars.* The cost of icing and watering cars in transportation train service, including icing cars for refrigeration purposes. Credits shall be made to this account for refrigeration charges collected from other companies and individuals.

ITEMS OF SERVICE AND SUPPLIES

Buckets.
Hose and fixtures.
Ice.
Ice tools.
Labor of employees.
Ladders.
Salt.
Water.

(f) *Detouring trains.* The compensation for temporary use of tracks of other carriers, including the cost of pilot service, on account of wrecks, washouts, landslides, snow blockades, and other defects of the tracks, bridges, or tunnels on the carrier's line.

(g) *Train supplies.* The cost of supplies furnished for use on cars in transportation train service.

ITEMS OF TRAIN SUPPLIES

Axes.
Badges.
Beds.
Bell cords.
Boxes for trainmen.
Brooms.
Brushes.
Chains.
Chairs for cabooses (not permanently attached).
Cold chisels.
Combs.
Conductors' punches.
Cuspidors.
Drinking cups and glasses.
Fire buckets.
Flags.
Fuses.
Hammers.
Hatchets.
Jacks.
Lamp boards.
Lamp sticks.
Lantern globes.
Lantern parts.
Lanterns.
Matches.
Medical boxes.
Oil for lanterns.
Order hoops.
Padlocks.
Pails.
Punches.
Sawdust.
Saws.
Scoops.
Shovels.
Signal boxes.
Signal lamps (rear).
Sledges.
Soap.
Switch chains.
Switch ropes.
Toilet paper.
Torpedoes.
Towels.
Train tool boxes.
Uniform trimmings.
Uniforms.
Ventilator sticks.
Waste.
Water buckets.
Wrecking frogs.
Wrenches.

(h) *Other expenses.* The cost of miscellaneous supplies required to equip trains for transportation service and miscellaneous expenses incident to operation of such trains.

ITEMS OF EXPENSE ON ACCOUNT OF EMPLOYEES

Apparatus for testing the sight and hearing of enginemen and trainmen.
Employees' reading and bunk room expense, including pay of attendants and supplies furnished.
Laundry work.
Physicians' fees for examination of train employees.
Wages paid to superintendents and secretaries of reading rooms.

ITEMS OF EXPENSE ON ACCOUNT OF TRANSPORTATION

Bedding for stock cars.
Boarding and slatting box and stock cars for carrying coal, coke, and other freight.
Boards for flooring fruit cars.
Chains for securing loads.
Cleaning, trimming, and filling trainmen's lanterns and rear signal lamps.
Coupling and uncoupling cars at terminals.
Disinfecting cars.
Dunnage used in loading cars or fitting cars for freight shipments.
Feed for live stock in snow-bound or otherwise delayed trains.
Flowers and plants for cars.
Laundry for revenue service cars other than for dining and buffet service and sleeping car service.
Occasional turning of engines on Y of other carriers.
Oil and other supplies for locomotives hauled as freight.
Periodicals for use of passengers on trains.
Planking cars for billet shipments and other material.
Provisions, supplies, or board for passengers in delayed trains.
Removing advertisements from cars.
Rent of fare registers in cars.
Safety chains for use between twin and triple cars.
Supplies for parlor and chair cars.
Supplies furnished cars for the purpose of protection against accidents and fires.
Temporary grain doors.
Temporary lining of cars for freight shipments and stoves and heaters to prevent freezing.

Temporary openings in cars for freight shipments.
Temporary racking of cars for handling sugar-cane, corn, bark, or cordwood.
Transferring passengers, express matter, baggage, mail, and freight on account of defective tracks, bridges, or tunnels.

NOTE: The expenses of operating sleeping, dining, and buffet car features of train service shall be included in the account 403, "Operating sleeping cars," or in account 441, "Dining and buffet service," as may be appropriate.

§ 10.403 *Operating sleeping cars.* This account shall include the cost of operating sleeping car service on trains.

(a) *Superintendence.* The pay of officers directly in charge of operating sleeping car service; the pay of their clerks and office attendants; also the office, traveling, and other expenses of such officers and employees.

(b) *Station employees.* The pay and expenses of local agents, ticket agents, cashiers, clerks, and attendants; also the office and other expenses of such employees.

(c) *Station expenses.* The expenses of fuel, water, steam, and supplies used in heating station offices; gas, oil, electric current, and other supplies for lighting; repairs and renewals of station furniture, and all other station expenses connected with sleeping car service when separable from the station expenses chargeable to account 376, "Station supplies and expenses."

(d) *Conductors.* The pay of conductors employed on sleeping cars.

(e) *Porters and maids.* The pay of porters and maids employed on sleeping cars.

(f) *Car supplies.* The cost of miscellaneous supplies used on sleeping cars, such as combs, brushes, brooms, and toilet paper; also uniforms, caps, and service stripes for employees.

(g) *Laundry.* Expenses for laundry work, such as laundering sheets, pillowcases, towels, blankets, etc.

(h) *Other expenses.* The cost of flowers and plants, heating cars, cleaning the interior of cars, and of supplies used in interior cleaning, rent and cost of supplies for rooms furnished for sleeping car service employees, and such other expenses in connection with the operation of sleeping cars as are not provided for elsewhere.

NOTE: When officers have immediate supervision over sleeping car service and other operations their pay, office, and other expenses, as also the pay, office, and other expenses of their assistants, clerks, and office attendants, shall be equitably apportioned to the accounts appropriate to the operations over which they have supervision.

§ 10.404 *Signal and interlocker operation.* This account shall include the cost of operating signals and interlockers other than those solely or principally used for governing all movements of locomotives and trains between main and yard tracks, movements of locomotives between yard tracks and enginehouses, and yard switching movements.

(a) *Labor.* The wages of employees engaged in operating signals and interlockers or power producing plants in connection therewith, such as switch tenders, signalmen other than telegraph operators, lever men, switch and signal oilers, battery men, lamp men, lamp cleaners, and lamplighters; gatemen at crossings of other railroads, engineers and others operating plants furnishing compressed air for signals and interlockers; engineers, electricians, and others operating plants furnishing electric power for signals and interlockers.

(b) *Supplies.* The cost of supplies used in operating signals and interlockers or in signal offices, such as gasoline, vitriol, battery zincs, battery coppers, lubricating oils, fuel for heating, fuel for power purposes, produced and purchased power used in operating switches and signals, furniture repairs and renewals, water, and light.

NOTE: The cost of operating signals and interlockers solely or principally used for governing the movement of yard locomotives and trains shall be included in the appropriate yard expense accounts.

§ 10.405 *Crossing protection.* This account shall include the pay of street and highway crossing gatekeepers and flagmen, the cost of supplies used by them, the cost of lights at street and highway crossings not a part of the lighting outfit at stations or in yards, and the cost of compressed air for operating gates.

§ 10.406 *Drawbridge operation.* This account shall include the cost of operating drawbridges.

(a) *Labor.* The wages of employees engaged in operating drawbridges, such as bridge engineers, tenders, and watchmen.

(b) *Supplies.* The cost of produced and purchased power and of supplies, such as fuel, oil, lantern, water, waste, boats, stoves, chairs, brooms, and pails used in drawbridge operation.

§ 10.407 *Telegraph and telephone operation.* This account shall include the cost of telegraph and telephone operation not provided for elsewhere.

(a) *Superintendence; telegraph.* The pay of superintendents of telegraph, telegraph censors, their clerks, and attendants.

(b) *Telegraph operators and messengers.* The pay of telegraph operators, block inspectors, and messengers in telegraph and relay offices other than those employed in dispatching trains and those located in general offices or at stations.

(c) *Other telegraph expenses.* Office, traveling, and incidental expenses, including office rent, of employees whose pay is chargeable to this account; rent of telegraph conduits, lines, and poles; cost of battery renewals and supplies, bicycles for messengers, and electric current for telegraph purposes; also excess payments to telegraph companies when in connection with telegraph service and not provided for elsewhere.

NOTE A: The pay, rent, other office expenses, and traveling expenses of superintendents of telegraph, their assistants, clerks, and attendants, when engaged both in maintaining and operating telegraph lines, shall be apportioned equally between this account and account 247, "Telegraph and telephone lines."

(d) *Superintendence; telephone.* The pay of superintendents of telephone, their clerks, and attendants.

(e) *Telephone operators and messengers.* The pay of telephone operators and messengers in telephone office other than those employed in dispatching trains and those located in general offices or at stations.

(f) *Other telephone expenses.* Office, traveling, and incidental expenses, including office rent, of employees whose pay is chargeable to this account; Rent of telephone conduits, lines, and poles; cost of battery renewals and supplies, bicycles for messengers, and electric current for telephone purposes; also excess payments to telephone companies when in connection with telephone service and not provided for elsewhere.

NOTE B: The pay, rent, other office expenses, and traveling expenses of superintendents of telephone, their assistants, clerks, and attendants, when engaged both in maintaining and operating telephone lines, shall be apportioned equally between this account and account 247, "Telegraph and telephone lines."

§ 10.408 *Operating floating equipment.* This account shall include the cost of operating floating equipment in water transfer (ferriage, lighterage, and floatage). (See § 10.02–1 *Operating accounts.*)

(a) *Superintendence.* The pay of vice presidents and other officers directly in charge of or engaged in the operation of boats; the pay of their assistants, clerks, and attendants; also the office, traveling, and other expenses of such officers and their employees.

(b) *Wages of crews.* The pay of captains, pilots, chief officers, mates, sailors, wireless telegraph operators, and other employees of the deck department; engineers, assistant engineers, electricians, oilers, firemen, coal passers, and all other employees of the engineer's department; and pursers, porters, and all other employees in the steward's department, except when engaged in dining and buffet service.

(c) *Fuel.* The cost, on board boats (including the cost of trimming) of coal, oil, wood, and other fuel used for generating power, heat, or light.

(d) *Lubrication.* The cost of oil, grease, tallow, graphite, and other material furnished for lubricating purposes.

(e) *Other supplies and departmental expenses.* The cost of supplies furnished to deck department; the incidental expenses of deck department employees; supplies other than fuel and lubricants, furnished the engineer's department; water furnished to boats; incidental expenses of engineer's department employees; supplies (other than dining and buffet supplies) furnished to the steward's department; laundry for boats; and incidental expenses of steward's department employees.

ITEMS OF SUPPLIES

Axes.	Globes.
Brooms.	Grease.
Brushes.	Handspikes.
Commissarial supplies.	Hatchets.
Flags.	Hose.
Gas.	Ice.
	Lamps.

Laundry.
Lines.
Mops.
Oil.
Pails.
Planks.
Provisions.
Ropes.
Shovels.
Soap.
Tallow.
Tools, miscellaneous.
Trucks.
Waste.
Water.
Wicks.
Wrenches.

(f) *Other expenses.* Expenses incident to the operation of floating equipment not otherwise provided for in this account.

ITEMS OF EXPENSE

Customhouse fees.
License fees.
Pumping out boats laid up.
Raising sunken boats.
Transferring passengers in case of accidents.
Wharfage.

(g) *Elevation and Longshore labor.* The cost of shore labor in connection with loading and unloading lighterage freight at wharves and piers, such as labor of bridgemen at transfer bridges and of watchmen, longshoremen, stevedores, and other wharf men.

(h) *Elevation and shore expenses.* Shore expenses in connection with loading and unloading lighterage freight, such as the cost of steam and electricity for power, heating, and lighting; power and supplies used for transfer or float bridges; supplies used in connection with operating wharves and piers and not chargeable to account 376, "Station supplies and expenses."

ITEMS OF SUPPLIES

Brooms.
Carbons.
Chalk.
Coal hods.
Coal shovels.
Cold chisels.
Crowbars.
Gas.
Hammers.
Hatchets.
Ice.
Ice tongs.
Incandescent lights.
Lamps, reflector.
Lanterns.
Marline.
Matches.
Oil.
Oil cans.
Pails.
Pinch bars.
Ropes.
Salt.
Scoops.
Shovels.
Soap.
Tacks.
Tallow.
Torches.
Towels.
Twine.
Waste.
Water.
Water coolers.
Wheelbarrows.

NOTE A: When the compensation for the use of floating equipment used in water transfer service includes rent, maintenance, and operation, the portion covering rent shall be charged to income account 539, "Rent for floating equipment," the portion covering maintenance shall be charged to the appropriate account for maintenance of equipment, and the portion covering operation shall be included in this account.

NOTE B: This account shall not include the pay of station employees or labor engaged in handling freight at stations, wharves, and piers provided for under account 373, "Station employees," or the pay of employees or labor provided for under account 375, "Coal and ore wharves."

§ 10.409 *Express service.* This account shall include the cost of operating express service.

(a) *Drivers and messengers.* Pay of express messengers, drivers, and helpers, and cost of their uniforms, uniform trimmings, and badges; and pay of baggagemasters handling express.

(b) *Other expenses.* Pay of stablemen in express service, rent of stables, and expense of feeding and shoeing horses.

§ 10.410 *Stationery and printing.* This account shall include the cost of stationery and printing used in connection with rail line transportation, including operation of floating equipment.

STATIONERY AND PRINTING ITEMS

Adding machines.
Addressographs and supplies.
Arm rests.
Baggage checks, printed.
Baggage scrip.
Baggage storage checks.
Bills of lading.
Binders.
Blank books.
Blotters.
Blotting paper.
Bristol board.
Calculating machines.
Calendars.
Carbon paper.
Cardboard.
Cards, blank and printed.
Circulars.
Computing tables.
Conductors' hat checks.
Copy (impression) books.
Copying brushes.
Copying presses.
Crayons.
Cross-section books.
Cross-section paper.
Cyclostyles.
Dating stamps and ribbons.
Delivery tickets.
Dictaphones.
Dictographs.
Drawing paper.
Duplicators.
Electric pens.
Envelopes.
Erasers, rubber and steel.
Eyelet punches.
Eyelets.
File boxes, paper.
Forms, blank and printed.
Fuel tickets.
Glass pens.
Hectographs.
Indexes.
Ink for writing and drawing.
Inkstands.
Invoice books.
Legal cap paper.
Letter paper.
Manifold paper.
Manifold pens.
Mileage books.
Mimeographs.
Mucilage.
Mucilage brushes.
Neostyles.
Note paper.
Notices.
Numbering stamps.
Oil paper.
Paper.
Paper baskets.
Paper clips.
Paper cutters.
Paper fasteners.
Paper files.
Paper weights.
Papyrographs.
Parchment paper.
Pencil sharpeners.
Pencils for writing and drawing.
Penholders.
Penracks.
Pens for writing and drawing.
Phonographs and records.
Pins.
Postage.
Punches (not conductors' or baggagemen's).
Rubber bands.
Rubber stamps.
Rulers.
Ruling pens.
Scrapbooks.
Sealing wax.
Seals.
Shears.
Shipping orders.
Shipping tags.
Shorthand notebooks.
Sponge cups.
Sponges.
Stamps, impression.
Stylographs.
Tablets, blank and printed.
Tape.
Telegraph blanks.
Ticket stamps.
Tickets.
Time-tables (employees).
Tissue (impression) paper.
Tracing cloth.
Tracing paper.
Twine.
Time-tables (embons.
Wage tables.
Wastebaskets.
Water colors.
Water holders.
Waybills.
Wrapping paper.
Wringers for copying presses.

NOTE: The cost of dictionaries, periodicals, technical books, etc., shall be included in appropriate superintendence accounts, and city directories and books of reference used by station agents shall be charged to account 376, "Station supplies and expenses."

§ 10.411 *Other expenses.* This account shall include all expenses in connection with rail line transportation not properly chargeable to other transportation accounts.

ITEMS OF EXPENSE

Amounts paid for switching empty cars otherwise than in connection with loaded movements or with the repairs to the equipment.
Amounts paid on account of bills of lading issued on fraudulent receipts.
Amounts paid to suspended transportation department employees covering periods of suspension.
Compensation for property loss incident to failure to stop at station to pick up passengers.
Demurrage accruing on a foreign line by reason of error of carrier's agent.
Extra drayage due to agent's error in routing interline shipment.
Fees paid arbitrators in wage disputes of transportation department employees.
Loss of station funds by burglary, when not covered by insurance.
Loss of train collections in holdup.
Overcharges paid foreign lines on account of error of the carrier's agent in routing and billing.
Pay and expenses of transportation department employees attending conferences with officers in connection with wage disputes.
Payments for switching on account of cars not passing inspection at junction points.
Penalties imposed under reciprocal demurrage laws for failure to furnish cars.
"Penalty switching" payments on account of improper delivery of cars to other carriers.

§ 10.412 *Operating joint tracks and facilities—Dr.* This account shall include the carrier's proportion of the transportation expenses incurred by others in the operation of joint tracks, interlockers, and other facilities which are not provided for in account 390, "Operating joint yards and terminals—Dr."

NOTE A: The purpose of this account is to show the amount accruing against the carrier for its proportion of the cost of operating tracks and facilities (other than at joint yards and terminals) operated by others and in the joint use of which the carrier participates. (See § 10.04–9 *Joint facility accounts.*)

NOTE B: No portion of expenses chargeable by the operating carrier to accounts 392 to 403, inclusive, shall be included in this account.

§ 10.413 *Operating joint tracks and facilities—Cr.* This account shall include amounts chargeable to others as their proportions of transportation expenses incurred by the carrier in the operation of joint tracks, interlockers, and other facilities which are not provided for in account 391, "Operating joint yards and terminals—Cr."

NOTE A: The purpose of this account is to show the amounts accruing in favor of the carrier and against others for their proportions of the cost of operating tracks and facilities (other than at joint yards and terminals) operated by the carrier and in the joint use of which others participate. (See § 10.04–9 *Joint facility accounts.*)

NOTE B: No portion of expenses chargeable by the operating carrier to accounts 392 to 403, inclusive, shall be included in this account.

§ 10.414 *Insurance.* This account shall include premiums, except reinsurance premiums, for insuring the carrier against loss through injuries to persons or damage to or destruction or loss of property, whether caused by fire, accident, or other cause, when such loss to the carrier would be chargeable to rail line transportation; also premiums on fidelity bonds of employees whose pay is chargeable to rail line transportation (See § 10.04–18 *Insurance.*)

NOTE: The premiums paid by the carrier to its insurance fund shall be credited to an insurance reserve account, to which account shall be charged the amount of all claims for

injuries to persons and damages to the property covered by its insurance. To such account shall also be charged all reinsurance premiums paid to insurance companies, and to it shall be credited all amounts recovered from insurance companies for damage to property reinsured by them.

§ 10.415 *Clearing wrecks.* This account shall include the cost of clearing wrecks other than wrecks of work trains.

(a) *Labor.* The wages of employees while engaged in connection with wrecking service, loading, and transferring contents of wrecked cars, building temporary tracks around wrecks, and removing such tracks.

(b) *Train service.* The cost of train service in connection with replacing wrecked equipment upon the tracks and transporting such equipment to shops for repairs, including amounts paid to other companies for service of locomotives, derricks, and other equipment and for wages of crews in wrecking service.

(c) *Other supplies and expenses.* Payments for reloading or transferring freight, express, baggage, and mail; transferring passengers, and cost of provisions or board for men clearing up or watching at wrecks.

NOTE A: Expenses of clearing wrecks of work trains shall be included in the cost of the work in connection with which the wrecked train was engaged.

NOTE B: The cost of restoring roadbed and tracks to original condition after wrecks and the cost of repairing equipment damaged or destroyed by wrecks shall be charged to the appropriate accounts for maintenance of way and structures and maintenance of equipment.

NOTE C: That proportion of payments to other companies for use of locomotives, derricks, and other equipment in wrecking service which represents rent shall be included in the income accounts.

§ 10.416 *Damage to property.* This account shall include payments and expenses on account of damages to the property of others, whether by fire, collision, flood, or other cause, with the exception of payments and expenses on account of damage to property intrusted to the carrier for transportation, and for damage to stock on right of way. It shall include also fines or compensation paid for interference with the business of others, as by detention of vessels at drawbridges, or by blocking streets.

This account shall include also the pay, office rent, and office, traveling, and other expenses of employees and others engaged as claim adjusters or as witnesses in lawsuits in connection with damage to property cases, or engaged in detection of thieves; notarial fees paid in connection with such cases; and payments for or repairs of damage to equipment of other carriers, or to property contained therein, such carriers having trackage rights upon or grade crossings over the carrier's tracks.

This account shall also include amounts estimated to be sufficient to meet the probable liability of the carrier for unaudited expenses applicable thereto, except that it is not required to anticipate items which would not appreciably affect the account.

NOTE A: Damage to live stock on right of way, and damage to freight and baggage intrusted for transportation, are provided for under accounts 417, "Damage to live stock on right of way"; 418, "Loss and damage—Freight"; and 419, "Loss and damage—Baggage."

NOTE B: Expenses incident to suits growing out of damage to property claims, not otherwise provided for, shall be included in account 454, "Law expenses."

NOTE C: The pay, office rent, and the traveling, office, and other expenses of claim adjusters, claim clerks, and other engaged in claim matters when not accurately assignable to a distinct class of claims, shall be apportioned equally among the several classes of claims over which they have jurisdiction or in connection with which they are engaged. This provision does not apply to the pay and expenses of general officers or general office employees whose pay is includible in general account 450, "General."

§ 10.417 *Damage to live stock on right of way.* This account shall include payments on account of cattle and other live stock killed or injured while crossing or trespassing on the right of way, including cost of removing and burying the same.

There shall be included in this account also the pay and the traveling, office, and other expenses of employees and others engaged as live-stock claim adjusters or engaged as witnesses in law-suits in connection with damage to live stock on right of way; also notarial fees in connection with claims for damage to live stock on right of way.

This account shall also include amounts estimated to be sufficient to meet the probable liability of the carrier for unaudited expenses applicable thereto, except that it is not required to anticipate items which would not appreciably affect the account.

NOTE A: Expenses incident to suits growing out of live-stock claims, not otherwise provided for, shall be included in account 454, "Law expenses."

NOTE B: The pay, office rent, and traveling, office, and other expenses of claim adjusters, claim clerks, and others engaged in claim matters when not accurately assignable to a distinct class of claims, shall be apportioned equally among the several classes of claims over which they have jurisdiction or in connection with which they are engaged. This provision does not apply to the pay and expenses of general officers or general office employees whose pay is includible in general account 450, "General."

§ 10.418 *Loss and damage; freight.* This account shall include payments and expenses on account of loss, destruction, damage, or delays to revenue freight shipments, including locomotives and cars transported as freight, express matter, milk shipments, and livestock, and expenses incurred on account of such payments; also expenses on account of loss, destruction, or damage to shipments of company material.

This account shall also include the cost of repacking and boxing damaged freight shipments; notarial fees in connection with freight claims; freight charges paid other carriers on lost, destroyed, or damaged shipments; pay, traveling, office, and other expenses of employees or others engaged as freight-claim adjusters, as witnesses in lawsuits in connection with freight-claim cases, in selling damaged and unclaimed shipments, or in detecting thieves; rent of warehouses used for storage of damaged and astray freight shipments, payments for storage of such shipments in public warehouses, and interest and penalties assessed for nonpayment of freight claims.

Amounts received from the sale of astray and damaged freight shall be credited to this account.

This account shall also include amounts estimated to be sufficient to meet the probable liability of the carrier for unaudited expenses applicable thereto, except that it is not required to anticipate items which would not appreciably affect the account.

NOTE A: Expenses incident to suits growing out of loss and damage (freight) claims, not otherwise provided for, shall be included in account 454, "Law expenses."

NOTE B: The pay, office rent, and traveling, office, and other expenses of claim adjusters, claim clerks, and others engaged in claim matters when not accuratley assignable to a distinct class of claims shall be apportioned equally among the several classes of claims over which they have jurisdiction or in connection with which they are engaged. This provision does not apply to the pay and expenses of general officers or general office employees whose pay is includible in general account 450, "General."

§ 10.419 *Loss and damage; baggage.* This account shall include payments for loss, destruction, damage, or delays to baggage and other personal property carried as baggage, and damage to personal apparel; also expenses on account of such loss or damage.

This account shall also include the cost of repacking and boxing damaged baggage; notarial fees in connection with baggage claims; baggage claim payments made to other carriers on lost, destroyed, damaged, or delayed shipments; pay, traveling, office, and other expenses of employees or others engaged as baggage claim adjusters, as witnesses in lawsuits in connection with baggage claim cases, in selling damaged and unclaimed baggage, or in detecting thieves; rent of warehouses used exclusively for storage of damaged and unclaimed baggage, payments for storage of such shipments in public warehouses, and interest and penalties assessed for nonpayment of claims.

Amounts received from the sale of astray and damaged baggage shall be credited to this account.

This account shall also include amounts estimated to be sufficient to meet the probable liability of the carrier for unaudited expenses applicable thereto, except that it is not required to anticipate items which would not appreciably affect the account.

NOTE A: Expenses incident to suits growing out of loss and damage (baggage) claims, not otherwise provided for, shall be included in account 454, "Law expenses."

NOTE B: The pay, office rent, and traveling, office, and other expenses of claim adjusters, claim clerks, and others engaged in claim matters when not accurately assignable to a distinct class of claims, shall be apportioned equally among the several classes of claims over which they have jurisdiction or in connection with which they are engaged. This provision does not apply to the pay and expenses of general officers or general office employees whose pay is includible in general account 450, "General."

NOTE C: When a payment on account of injuries to passengers includes allowance for damage to personal apparel the damage allowance shall be included in this account

when separable; otherwise in the appropriate personal injury account.

§ 10.420 *Injuries to persons.* This account shall include expenses on account of injuries to persons which occur directly in connection with transportation service, including damages for ejectment of passengers.

Services of employees and others called in consultation in relation to claim adjustments; pay and expenses of employees while engaged as witnesses at inquests and lawsuits, and a suitable proportion of donations made to hospitals, shall be included in this account.

This account shall also include amounts estimated to be sufficient to meet the probable liability of the carrier for unaudited expenses applicable thereto, except that it is not required to anticipate items which would not appreciably affect the account.

ITEMS OF EXPENSE

Artificial limbs.
Carriage fees.
Claim adjusters' and clerks' services.
Claim adjusters' office expenses.
Compensation for injuries or death.
Final judgments, including plaintiffs' court costs.
Funeral expenses.
Hospital attendance.
Medical and surgical services.
Medical and surgical supplies.
Notarial fees.
Nursing.
Railway transportation.
Undertakers' services.
Undertakers' supplies.
Witnesses' fees and expenses at inquests and lawsuits.

NOTE A: Expenses incident to personal injury suits, not otherwise provided for, shall be included in account 454, "Law expenses."

NOTE B: Amounts donated by a carrier to hospitals shall be distributed, 25 percent to account 274, "Injuries to persons"; 25 percent to account 332, "Injuries to persons"; and 50 percent to account 420, "Injuries to persons."

NOTE C: The pay, office rent, and traveling, office, and other expenses of claim adjusters, claim clerks, and others engaged in claim matters when not accurately assignable to a distinct class of claims, shall be apportioned equally among the several classes of claims over which they have jurisdiction or in connection with which they are engaged. This provision does not apply to the pay and expenses of general officers or general office employees whose pay is includible in general account 450, "General."

NOTE D: When a payment on account of injuries to persons includes allowances for damages to personal apparel, the damage allowance shall be included in account 419, "Loss and damage—Baggage," when separable; otherwise the entire payment shall be included in this account.

MISCELLANEOUS OPERATIONS

§ 10.440 *Miscellaneous operations.* The primary accounts included in this general account are designed to show the expenses incurred in miscellaneous operations. (See § 10.02–4 *Miscellaneous operations.*)

§ 10.441 *Dining and buffet service.* This account shall include the cost of operating dining and buffet service on trains and transfer boats. It shall include:

(a) *Superintendence.* The pay of officers directly in charge of operating dining and buffet service; the pay of their assistants, clerks, and office attendants; also the office, traveling, and other expenses of such officers and their employees.

(b) *Commissarial employees.* The pay of storekeepers, assistant storekeepers, clerks, porters, and other employees in commissarial supply depots and storehouses.

(c) *Stewards.* The pay of stewards or conductors employed on dining and buffet cars and transfer boats.

(d) *Cooks and waiters.* The pay of cooks, waiters, and assistants on dining and buffet cars and transfer boats.

(e) *Fuel and supplies.* The cost of fuel for cooking purposes; of provisions, such as meats, groceries, vegetables, fish, table waters, ice, etc.; bar supplies, such as wines, liquors, beers, ales, etc.; cost of licenses; and cost of cigars, cigarettes, and tobacco.

(f) *Laundry.* Expenses for laundry work, such as laundering tablecloths, napkins, aprons, etc.

(g) *Stationery and printing.* The cost of stationery and printing used in connection with dining and buffet service.

(h) *Other expenses.* The cost of flowers and plants; cleaning the interior of cars; rent and cost of supplies for rooms furnished for dining and buffet service employees; and such other expenses in connection with the operation of dining and buffet service as are not provided for elsewhere.

NOTE: When officers have immediate supervision over dining and buffet service and other operations their pay, office, and other expenses, as also the pay, office, and other expenses of their assistants, clerks, and office attendants, shall be equitably apportioned to the accounts appropriate to the operations over which they have supervision.

§ 10.442 *Hotels and restaurants.* This account shall include the cost of operating hotels, restaurants, and lunch counters when the cost of the operated property is includible in the road and equipment accounts. It shall include:

(a) *Superintendence.* The pay of officers directly in charge of operating hotels, restaurants, and lunch counters; pay of their clerks and office attendants; also the office, traveling, and other expenses of such officers.

(b) *Employees.* The pay of stewards, hotel keepers, storekeepers, checkers, linen clerks, butchers, chefs, cooks, kitchen help, maids, porters, elevator men, call boys, hat and cloak attendants, waiters, waitresses, laundresses, engineers, firemen, and other employees engaged in operating hotels, restaurants, and lunch counters.

(c) *Fuel and supplies.* The cost of fuel for cooking and heating purposes; provisions, such as meats, groceries, vegetables, fish, table waters, ice, etc.; bar supplies, such as wines, liquors, beers, ales, etc.; the cost of liquor licenses; the cost of tobacco, cigars, cigarettes, etc.; and miscellaneous supplies for operating the service.

(d) *Stationery and printing.* The cost of stationery and printing used in connection with the operation of hotels and restaurants.

(e) *Other expenses.* The cost of lighting, and other items of expense not otherwise provided for in this account.

NOTE: When officers have immediate supervision over hotels, restaurants, and lunch counters and other operations their pay, office, and other expenses, as also the pay, office, and other expenses of their assistants, clerks, and office attendants, shall be equitably apportioned to the accounts appropriate to the operations over which they have supervision.

§ 10.443 *Grain elevators.* This account shall include the cost of operating grain elevators other than small elevators which are classed as station facilities. It shall include:

(a) *Superintendence.* The pay of officers directly in charge of grain-elevator service; the pay of their assistants, clerks, and office attendants; also the office, traveling, and other expenses of such officers and their employees.

(b) *Employees.* The pay of engineers, firemen, foremen, machine men, oilers, millwrights, carpenters, trimmers, weighers, spout men, sweepers, laborers, watchmen, and all other employees engaged in operating grain elevators.

(c) *Fuel and supplies.* The cost of fuel for power, heating, and lighting plants; power for heating, lighting, and operating machinery; and water, ice, oil, waste, and other supplies for operating such property.

(d) *Stationery and printing.* The cost of stationery and printing used in connection with the operation of grain elevators.

(e) *Other expenses.* The cost of grain used to make up shortage in elevators; rent for and repairs of rented offices; and other operating expenses not otherwise provided for in this account.

NOTE. When officers have immediate supervision over grain elevators and other operations their pay, office, and other expenses, also the pay, office, and other expenses of their assistants, clerks, and office attendants, shall be equitably apportioned to the accounts appropriate to the operations over which they have supervision.

§ 10.444 *Stockyards.* This account shall include the cost of operating stockyards other than small stockyards or stock pens at stations, which are classed as station facilities. It shall include:

(a) *Superintendence.* The pay of officers directly in charge of stockyard operations; the pay of their assistants, clerks, and office attendants; also the office, traveling, and other expenses of such officers and employees.

(b) *Employees.* The pay of foremen, subforemen, yardmen, talleymen, weighmasters, stock loaders, drovers, drivers, engineers, firemen, shovelers, watchmen, policemen, and other stockyard employees.

(c) *Fuel and supplies.* The cost of fuel, gas, electric current, water; hay, grain, oats, and other feed for stock; straw and other bedding material; and other stockyard supplies.

(d) *Stationery and printing.* The cost of stationery and printing used in connection with the operation of stockyards.

(e) *Other expenses.* Payments for loss or damage to live stock, and other expenses not otherwise provided for in this account.

NOTE: When officers have immediate supervision over stockyard service and other operations their pay, office, and other expenses,

as also the pay, office, and other expenses of their assistants, clerks, and office attendants, shall be equitably apportioned to the accounts appropriate to the operations over which they have supervision.

§ 10.445 *Producing power sold.* This account shall include the cost of operating power plants, substations, transmission systems and distribution systems, for the production of power sold.

The proportion of the cost assignable to the production of the power sold only shall be included in this account. (See § 10.04–12 *Power plant operations* and § 10.04–14 *Maintaining transmission and distribution systems.*)

This account shall include:

(a) *Superintendence.* The pay of officers directly in charge of power plants, substations, transmission systems and distribution systems; pay of their clerks and office attendants; also the office, traveling, and other expenses of such officers and employees.

(b) *Employees.* The pay of foremen, subforemen, engineers, firemen, electricians, system operators or load dispatchers, dynamo tenders, foremen regulators, regulators and assistants, switchboard men, brush men, oilers, wipers, wiremen, and others engaged in the operation of power plant and substation apparatus and devices.

(c) *Fuel.* The cost of fuel used in the production of power and for heating power plants.

(d) *Other supplies.* The cost of water, lubricants, and other power plant and substation supplies.

(e) *Stationery and printing.* The cost of stationery and printing used in connection with producing power sold.

(f) *Other expenses.* The items of expense not otherwise provided for in this account.

NOTE: When officers have immediate supervision over producing power sold and other operations, their pay, office, and other expenses, as also the pay, office, and other expenses of their assistants, clerks and office attendants, shall be equitably apportioned to the accounts appropriate to the operations over which they have supervision.

§ 10.446 *Other miscellaneous operations.* This account shall include the operations of facilities such as cold-storage plants; coal-storage plants; cotton-compress plants; wood-preserving plants; ice-supply plants, etc., when the cost of the facilities is includible in the road and equipment accounts and they are operated by the railway companies.

NOTE: When officers have immediate supervision over other miscellaneous service and other operations, their pay, office, and other expenses, as also the pay, office, and other expenses of their assistants, clerks, and office attendants, shall be equitably apportioned to the accounts appropriate to the operations over which they have supervision.

GENERAL

§ 10.450 *General.* The primary accounts included in this general account are designed to show the expenses incurred of a general character not chargeable to the preceding general accounts, such as those for general administration and accounting, and those of the financial, law, real estate, tax, and claim departments.

NOTE: Directly assignable organization and administration expenses incident to investments in leased or nonoperating physical property, and in stocks, bonds, and other securities, are chargeable to income account 549, "Maintenance of investment organization."

§ 10.451 *Salaries and expenses of general officers.* This account shall include:

(a) *Salaries.* The pay of all general officers not otherwise provided for, including salaries and fees of receivers and commissions paid to general officers in lieu of salaries.

LIST OF OFFICERS

Chairman of the board.
President.
Assistant to president.
Vice president.
Assistant to vice president.
Secretary.
Assistant secretary.
Transfer agent.
Treasurer.
Assistant treasurer.
Local treasurer.
Comptroller.
Assistant comptroller.
General auditor.
Auditor.
Assistant auditor.
Auditor of revenues.
Auditor of passenger accounts.
Assistant auditor of passenger accounts.
Auditor of freight accounts.
Assistant auditor of freight accounts.
Auditor of station accounts.
Auditor of disbursements.
Assistant auditor of disbursements.
Auditor of miscellaneous accounts.
Assistant auditor of miscellaneous accounts.
Auditor of coal and coke accounts.
Freight claim agent.
Assistant freight claim agent.
General accountant.
Real-estate agent.
Assistant real-estate agent.
Tax commissioner.

(b) *Expenses.* The traveling and other expenses of officers whose pay is included in this account, including supplies for business cars used by them, cost of running official trains for them, and cost of membership fees and dues in railway and other associations.

NOTE A: When officers' duties are restricted to a single department, their salaries and expenses shall be charged to that department in the accounts for superintendence or for law expenses, as may be appropriate. When officers have immediate supervision over more than one department, their salaries and expenses shall be apportioned equitably among the departments over which they have jurisdiction.

NOTE B: The pay and expenses of the purchasing agent, assistant purchasing agent, assistant to purchasing agent, general storekeeper, division storekeeper, their clerks and attendants, shall be charged through clearing accounts "Material store expenses" and "Stationery store expenses," or material account "Fuel," as may be appropriate.

§ 10.452 *Salaries and expenses of clerks and attendants.* This account shall include the pay and expenses of clerks and attendants of the officers whose salaries are includible in account 451, "Salaries and expenses of general officers."

(a) *Pay of clerks.* The pay of persons employed in accounting and clerical service.

LIST OF EMPLOYEES

Cashiers.
Chief accountants.
Chief clerks.
Clerks.
Inspectors.
Mail clerks.
Paymasters.
Postmasters.
Route agents.
Special agents.
Stenographers.
Ticket recievers.
Traveling accountants.
Traveling auditors.

(b) *Pay of attendants.* The pay of persons employed in attendance at general offices and on business cars.

LIST OF EMPLOYEES

Bank messengers.
Chauffeurs.
Cleaners.
Cooks.
Drivers of service wagons.
Elevator operators.
Engineers.
Firemen.
Janitors.
Messengers.
Porters.
Pump men.
Stablemen.
Superintendent of general office building.
Telegraph operators
Telephone operators
Ushers.
Waiters.
Watchmen.

(c) *Expenses.* The traveling and other expenses of employees designated above, including the cost of supplies for business cars and cost of running official trains for them.

§ 10.453 *General office supplies and expenses.* This account shall include the office expenses of officers designated in account 451, "Salaries and expenses of general officers."

ITEMS OF EXPENSE AND SUPPLIES

Alterations of partitions and fixtures in general offices.
Atlases and maps.
Books for office use.
Cable tolls.
Cleaning.
Express charges.
Furniture repairs and renewals.
Heating.
Horse keep.
Lighting.
Local messenger service.
Periodicals and newspapers.
Rent of general offices.
Rent of tabulating machines.
Repairs of rented general offices.
Reports of commercial standings.
Service of automobiles.
Telegraph service.
Telephone service.
Watchmen service.

NOTE: The proportion of general office expenses occasioned by the law department shall be included in account 454, "Law expenses."

§ 10.454 *Law expenses.* This account shall include the pay and the office and other expenses, when not provided for elsewhere, of officers and employees of the law department, the cost of suits, and the payments of special law fees.

LIST OF OFFICERS AND EMPLOYEES

General counsel.
General solicitor.
Assistant counsel.
Solicitor.
Commerce counsel.
Commerce agent.
Special counsel.
Statutory attorney.
Attorney.
Counsel.
Law agent.
Clerks.
Office attendants.

ITEMS OF EXPENSE AND SUPPLIES

Arbitrators' services in settlement of disputed questions.
Cost of taking depositions.
Cost of testimony.
Cost of suits.
Court bonds.
Court expenses.

Drawing and recording agreements as to trackage rights, etc.
Express charges.
Fees and retainers of attorneys (not regular employees).
Law books.
Legal forms.
Legal reports.
Membership fees and dues in associations to protect carriers against litigation in respect to patents.
Membership fees and dues in law associations.
Notarial fees not provided for elsewhere.
Office expenses.
Printing of briefs, testimony, and reports.
Proportion of general office expenses.
Rent of offices.
Special fees.
Telegraph service.
Telephone service.
Traveling expenses.
Witness fees not provided for elsewhere.

§ 10.455 *Insurance.* This account shall include premiums, except reinsurance premiums, for insuring the carrier against loss, through injuries to persons or damage to or destruction or loss of property, whether caused by fire, accident, or other cause, when such loss to the carrier would be chargeable to general account 450, "General"; also premiums on fidelity bonds of officers and employees whose pay is chargeable to general account 450, "General." (See § 10.04–18 *Insurance.*)

NOTE: The premiums paid by the carrier to its insurance fund shall be credited to an insurance account, to which account shall be charged the amount of all claims for injuries to persons and damages to the property covered by its insurance. To such account shall also be charged all reinsurance premiums paid to insurance companies, and to it shall be credited all amounts recovered from insurance companies for damage to the property reinsured by them.

§ 10.456 *Relief department expenses.* This account shall include salaries and expenses incurred in connection with conducting relief departments; also contributions to such departments.

§ 10.457 *Pensions.* This account shall include pensions or gratuities paid out of the carrier's funds to retired employees or their heirs and the expenses solely in connection therewith.

NOTE: If the carrier has definitely undertaken by contract to pay pensions to employees when regularly retired for superannuation and/or disability and has established a fund to be held in trust for such pension purposes, it shall charge to this account monthly amounts determined through the application of equitable actuarial factors to the current payrolls, which, together with interest accruals on the trust funds, will as nearly as may be, provide for the payment of such pensions, or for the purchase of annuities corresponding thereto. The amounts so charged shall be concurrently credited to a reserve account under account 769, "Liability for provident funds." The amounts accrued in each year shall correspond to the aggregate of the amounts paid into the trust fund and expended directly by the carrier for pensions or annuities during the year. The carrier shall maintain a complete record of the actuarial computations through which the accrual each month of its pension liabilities is established.

Upon the adoption of the accrual plan of accounting, pension payments to employees retired before the adoption of such plan shall be charged to an existing pension reserve or to profit and loss.

Before adopting the accrual plan of accounting for pensions the carrier shall inform the Commission of the details of its pension plan giving full statement of the facts which in its judgment establishes a contractual obligation for pension payments together with the actuarial formula under which it proposes to create its pension trust fund, and also a copy of the declaration of trust under which the fund is established.

No charge to this account shall be made in anticipation of discretionary pension payments in the future.

The accounting is effective as of the date on which the carrier makes effective its definite contractual obligation to pay such pensions.

§ 10.458 *Stationery and printing.* This account shall include the cost of stationery and printing used in general offices and not chargeable to other accounts, including the cost of printing annual reports, contracts, leases, stock certificates, and passes.

STATIONERY AND PRINTING ITEMS

Adding machines.
Addressographs and supplies.
Arm rests.
Binders.
Blank books.
Blotters.
Blotting paper.
Bristol board.
Calculating machines.
Calendars.
Carbon paper.
Cardboard.
Cards, blank and printed.
Circulars.
Computing tables.
Copy (impression) books.
Copying brushes.
Copying presses.
Crayons.
Cyclostyles.
Dating stamps and ribbons.
Dictaphones.
Dictographs.
Drawing paper.
Duplicator.
Electric pens.
Envelopes.
Erasers, rubber and steel.
Eyelet punches.
Eyelets.
File boxes, paper.
Forms, blank and printed.
Glass pens.
Hectographs.
Indexes.
Ink for writing and drawing.
Inkstands.
Invoice books.
Legal cap paper.
Letter paper.
Manifold paper.
Manifold pens.
Mimeographs.
Mucilage.
Mucilage brushes.
Neostyles.
Note paper.
Notices.
Numbering stamps.
Oil paper.
Paper.
Paper baskets.
Paper clips.
Paper cutters.
Paper fasteners.
Paper files.
Paper weights.
Papyrographs.
Parchment paper.
Passes.
Pay checks.
Pencil sharpeners.
Pencils for writing and drawing.
Penholders.
Penracks.
Pens for writing and drawing.
Phonographs and records.
Pins.
Postage.
Punches (not conductors' or baggagemen's).
Rubber bands.
Rubber stamps.
Rulers.
Ruling pens.
Scrapbooks.
Sealing wax.
Seals.
Shears.
Shipping tags.
Shorthand notebooks.
Sponge cups.
Sponges.
Stamps.
Stamps, impression
Stylographs.
Tablets, blank and printed.
Tape.
Telegraph blanks.
Tissue (impression) paper.
Tracing cloth.
Tracing paper.
Twine.
Typewriters and ribbons.
Wage tables.
Wastebaskets.
Water colors.
Water holders.
Wrapping paper.
Wringers for copying presses.

NOTE A: The cost of printing briefs, legal forms, testimony, reports, etc., for the law department is chargeable to account 454, "Law expenses."

NOTE B: The cost of printing bonds, etc., in connection with the carrier's funded debt shall be included in balance-sheet account 725, "Discount on funded debt."

§ 10.459 *Valuation expenses.* This account shall include expenses incident to the ascertainment (in accordance with the Act to Regulate Commerce as amended March 1, 1913, or with other Federal or State requirements) of the value of property owned or used by the carrier, such expenses including pay, and office, traveling, and other expenses of officers specially employed or assigned to such work, and of their assistants, clerks, and attendants, and the cost of stationery and printing, and of engineering supplies consumed.

NOTE: No charge shall be made to this account for the salaries of officers or of their clerks and attendants for incidental services in connection with valuation work; but special office, clerical, traveling, and incidental expenses incurred by these officers on account of such work shall be included as a part of the cost of the work.

§ 10.460 *Other expenses.* This account shall include incidental general expenses which are not properly chargeable to any of the foregoing accounts.

ITEMS OF EXPENSE

Cost of draping buildings.
Cost of publishing annual reports in newspapers, and other corporate and financial notices of general character.
Cost of publishing notices of stockholders' meetings and of election of directors.
Donations on account of catastrophes, epidemics, etc.
Donations to local fire departments.
Donations to Y. M. C. A., and similar institutions.
Exchange on checks cashed or deposited.
Exchange on drafts bought.
Fees and expenses paid to directors and trustees.
Loss through payment of wages to a wrong person.
Penalties assessed for nonpayment of claims for overcharges.

§ 10.461 *General joint facilities—Dr.* This account shall include the carrier's proportions of general expenses incurred by others incident to maintaining and operating tracks, yards, terminals, and other facilities used jointly.

NOTE: The purpose of this account is to show the amount accruing against the carrier for its proportion of the expense of general administration of tracks, yards, terminals and other facilities administered by others, and in the joint use of which the carrier participates. (See § 10.04–9 *Joint facility accounts.*)

§ 10.462 *General joint facilities—Cr.* This account shall include amounts chargeable to others as their proportions of general expenses incurred by the carrier incident to maintaining and operating tracks, yards, terminals, and other facilities used jointly.

NOTE: The purpose of this account is to show the amounts accruing in favor of the carrier and against others for their proportions of the expense of general administration of tracks, yards, terminals, and other facilities administered by the carrier, and in the joint use of which others participate. (See § 10.04–9 *Joint facility accounts.*)

CONDENSED CLASSIFICATION OF OPERATING EXPENSES

§ 10.480 *Accounts for small carriers, Class II.* See provisions of § 10.04–1 *Accounts for operating expenses.* The condensed groupings of accounts for Class II small carriers are as follows:

Accounts for Small Carriers—Class II	*Accounts for Large Carriers—Class I*
Maintenance of Way and Structures	200. Maintenance of Way and Structures
1201. Superintendence.	201. Superintendence.
1202. Maintaining roadway and track.	202. Roadway maintenance. 212. Ties. 214. Rails. 216. Other track material. 218. Ballast. 220. Track laying and surfacing. 272. Removing snow, ice, and sand.
1203. Maintaining track structures.	206. Tunnels and subways. 208. Bridges, trestles, and culverts. 210. Elevated structures. 221. Fences, snowsheds, and signs. 247. Telegraph and telephone lines. 249. Signals and interlockers.
1204. Maintaining ancillary structures.	227. Station and office buildings. 229. Roadway buildings. 231. Water stations. 233. Fuel stations. 235. Shops and enginehouses. 237. Grain elevators. 239. Storage warehouses. 241. Wharves and docks. 243. Coal and ore wharves. 253. Power plants. 257. Power-transmission systems. 265. Miscellaneous structures.
1204½. Retirements—Road.	267. Retirements—Road.
1205. Dismantling retired road property.	270. Dismantling retired road property.
1206. Equalization—Way and structures.	280. Equalization—Way and structures.
1207. Road—Amortization of defense projects.	270½. Road—Amortization of defense projects.
1208. Deferred maintenance—Way and structures.	268. Deferred maintenance—Way and structures.
1209. Road property—Depreciation.	266. Road property—Depreciation.
1210. Injuries to persons.	274. Injuries to persons.
1211. Other way and structure expense.	269. Roadway machines. 271. Small tools and supplies. 273. Public improvements—Maintenance. 275. Insurance. 276. Stationery and printing. 277. Other expenses. 281. Right-of-way expenses.
1212. Maintaining joint tracks, yards, and other facilities—Dr.	278. Maintaining joint tracks, yards, and other facilities—Dr.
1213. Maintaining joint tracks, yards, and other facilities—Cr.	279. Maintaining joint tracks, yards, and other facilities—Cr.
Maintenance of Equipment	300. Maintenance of Equipment
1221. Superintendence.	301. Superintendence.
1222. Repairs of machinery and other apparatus.	302. Shop machinery. 304. Power-plant machinery.
1223. Shop and power-plant machinery—Depreciation.	305. Shop and power-plant machinery—Depreciation.
1224. Dismantling retired shop and power-plant machinery.	306. Dismantling retired shop and power-plant machinery.
1225. Locomotive repairs.	308. Steam locomotives—Repairs. 311. Other locomotives—Repairs.
1226. Car repairs.	314. Freight-train cars—Repairs. 317. Passenger-train cars—Repairs.
1227. Floating equipment—Repairs.	323. Floating equipment—Repairs.
1228. Work equipment—Repairs.	326. Work equipment—Repairs.
1229. Miscellaneous equipment—Repairs.	328. Miscellaneous equipment—Repairs.
1230. Dismantling retired equipment.	329. Dismantling retired equipment.
1231. Retirements—Equipment.	330. Retirements—Equipment.

Accounts for Small Carriers—Class II—Con.	*Accounts for Large Carriers—Class I*—Con.
Maintenance of Equipment—Continued	300. Maintenance of Equipment—Continued
1232. Major repairs—Equipment.	340. Major repairs—Equipment.
1233. Equalization—Equipment.	338. Equalization—Equipment.
1234. Equipment—Amortization of defense projects.	331½. Equipment—Amortization of defense projects.
1235. Deferred maintenance—Equipment.	339. Deferred maintenance—Equipment.
1236. Equipment—Depreciation.	331. Equipment—Depreciation.
1237. Injuries to persons.	332. Injuries to persons.
1238. Other equipment expenses.	333. Insurance. 334. Stationery and printing. 335. Other expenses.
1239. Joint maintenance of equipment expenses—Dr.	336. Joint maintenance of equipment expenses—Dr.
1240. Joint maintenance of equipment expenses—Cr.	337. Joint maintenance of equipment expenses—Cr.
Traffic	350. Traffic
1251. Traffic expenses.	351. Superintendence. 352. Outside agencies. 353. Advertising. 354. Traffic associations. 355. Fast freight lines. 356. Industrial and immigration bureaus. 357. Insurance. 358. Stationery and printing. 359. Other expenses.
Transportation—Rail Line	370. Transportation—Rail Line
1261. Superintendence and dispatching.	371. Superintendence. 372. Dispatching trains.
1262. Station service.	373. Station employees. 374. Weighing, inspection, and demurrage bureaus. 375. Coal and ore wharves. 376. Station supplies and expenses.
1263. Yard enginemen and motormen.	380. Yard enginemen. 381. Yard motormen.
1264. Other yard employees.	377. Yardmasters and yard clerks. 378. Yard conductors and brakemen. 379. Yard switch and signal tenders.
1265. Yard switching fuel.	382. Yard switching fuel.
1266. Yard switching power.	383. Yard switching power produced. 384. Yard switching power purchased.
1267. Other yard expenses.	385. Water for yard locomotives. 386. Lubricants for yard locomotives. 387. Other supplies for yard locomotives. 388. Enginehouse expenses—Yard. 389. Yard supplies and expenses.
1268. Operating joint yards and terminals—Dr.	390. Operating joint yards and terminals—Dr.
1269. Operating joint yards and terminals—Cr.	391. Operating joint yards and terminals—Cr.
1270. Train enginemen and motormen.	392. Train enginemen. 393. Train motormen.
1271. Train fuel.	394. Train fuel.
1272. Train power.	385. Train power produced. 396. Train power purchased.
1273. Other train locomotive supplies and expenses.	397. Water for train locomotives. 398. Lubricants for train locomotives. 399. Other supplies for train locomotives. 400. Enginehouse expenses—Train.
1274. Trainmen.	401. Trainmen.
1275. Train supplies and expenses.	402. Train supplies and expenses.
1277. Injuries to persons.	403. Operating sleeping cars. 420. Injuries to persons.

Accounts for Small Carriers—Class II—Con.	*Accounts for Large Carriers—Class I—Con.*
Transportation—Rail Line—Continued	370. Transportation—Rail Line—Continued
1278. Loss and damage.	418. Loss and damage—Freight. 419. Loss and damage—Baggage.
1279. Other casualty expenses.	414. Insurance. 415. Clearing wrecks. 416. Damage to property. 417. Damage to live stock on right of way.
1280. Other rail transportation expenses.	404. Signal and interlocker operation. 405. Crossing protection. 406. Drawbridge operation. 407. Telegraph and telephone operation. 408. Operating floating equipment. 409. Express service. 410. Stationery and printing. 411. Other expenses.
1281. Operating joint tracks and facilities—Dr.	412. Operating joint tracks and facilities—Dr.
1282. Operating joint tracks and facilities—Cr.	413. Operating joint tracks and facilities—Cr.
Miscellaneous Operations	440. Miscellaneous Operations
1288. Miscellaneous operations.	441. Dining and buffet service. 442. Hotels and restaurants. 443. Grain elevators. 444. Stockyards. 445. Producing power sold. 446. Other miscellaneous operations.
General	450. General
1291. Administration.	451. Salaries and expenses of general officers. 452. Salaries and expenses of clerks and attendants. 453. General office supplies and expenses. 454. Law expenses.
1292. Insurance.	455. Insurance.
1293. Valuation expenses.	459. Valuation expenses.
1294. Other general expenses.	456. Relief department expenses. 457. Pensions. 458. Stationery and printing. 460. Other expenses.
1295. General joint facilities—Dr.	461. General joint facilities—Dr.
1296. General joint facilities—Cr.	462. General Joint facilities—Cr.

§ 10.490 *Accounts for small carriers, Class III.* See provisions of § 10.04–1 *Accounts for operating expenses.* The condensed groupings of accounts for Class III small carriers are as follows:

Accounts for Small Carriers—Class III	*Accounts for Large Carriers—Class I*
Maintenance of Way and Structures	200. Maintenance of Way and Structures
2201. Superintendence.	201. Superintendence.
2202. Roadway maintenance.	202. Roadway maintenance. 206. Tunnels and subways. 208. Bridges, trestles, and culverts. 210. Elevated structures. 212. Ties. 214. Rails. 216. Other track material. 218. Ballast. 220. Track laying and surfacing. 221. Fences, snowsheds, and signs. 247. Telegraph and telephone lines. 249. Signals and interlockers. 272. Removing snow, ice, and sand.
Accounts for Small Carriers—Class III—Con.	*Accounts for Large Carriers—Class I—Con.*
Maintenance of Way and Structures—Con.	200. Maintenance of Way Structures—Con.
2203. Maintaining structures.	227. Station and office buildings. 229. Roadway buildings. 231. Water stations. 233. Fuel stations. 235. Shops and enginehouses. 237. Grain elevators. 239. Storage warehouses. 241. Wharves and docks. 243. Coal and ore wharves. 253. Power plants. 257. Power-transmission systems. 265. Miscellaneous structures.
2203½. Retirements—Road.	267. Retirements—Road.
2204. Dismantling retired road property.	270. Dismantling retired road property.
2205. Equalization—Way and structures.	280. Equalization—Way and structures.
2206. Road—Amortization of defense projects.	270½. Road—Amortization of defense projects.
2207. Deferred maintenance—Way and structures.	268. Deferred maintenance—Way and structures.
2208. Road property—Depreciation.	266. Road property—Depreciation.
2209. Other maintenance of way expenses.	269. Roadway machines. 271. Small tools and supplies. 273. Public improvements—Maintenance. 274. Injuries to persons. 275. Insurance. 276. Stationery and printing. 277. Other expenses. 281. Right-of-way expenses.
2210. Maintaining joint tracks, yards, and other facilities—Dr.	278. Maintaining joint tracks, yards, and other facilities—Dr.
2211. Maintaining joint tracks, yards, and other facilities—Cr.	279. Maintaining joint tracks, yards, and other facilities—Cr.
Maintenance of Equipment	300. Maintenance of Equipment
2221. Superintendence.	301. Superintendence.
2222. Repairs of shop and power-plant machinery.	302. Shop machinery. 304. Power-plant machinery.
2223. Shop and power-plant machinery—Depreciation.	305. Shop and power-plant machinery—Depreciation.
2224. Dismantling retired shop and power-plant machinery.	306. Dismantling retired shop and power-plant machinery.
2225. Locomotive repairs.	308. Steam locomotives—Repairs. 311. Other locomotives—Repairs.
2226. Car repairs.	314. Freight-train cars—Repairs. 317. Pasenger-train cars—Repairs.
2227. Other equipment repairs.	323. Floating equipment—Repairs. 326. Work equipment—Repairs. 328. Miscellaneous equipment—Repairs.
2228. Dismantling retired equipment.	329. Dismantling retired equipment.
2229. Retirements—Equipment.	330. Retirements—Equipment.
2230. Major repairs—Equipment.	340. Major repairs—Equipment.
2231. Equalization—Equipment.	338. Equalization—Equipment.
2232. Equipment—Amortization of defense projects.	331½. Equipment—Amortization of defense projects.
2233. Deferred maintenance—Equipment.	339. Deferred maintenance—Equipment.
2234. Equipment—Depreciation.	331. Equipment—Depreciation.
2235. Other equipment expenses.	332. Injuries to persons. 333. Insurance. 334. Stationery and printing. 335. Other expenses.
2236. Joint maintenance of equipment expenses—Dr.	336. Joint maintenance of equipment expenses—Dr.
2237. Joint maintenance of equipment expenses—Cr.	337. Joint maintenance of equipment expenses—Cr.

Accounts for Small Carriers—Class III—Con.

Traffic

2240. Traffic expenses.

Transportation—Rail Line

2241. Superintendence and dispatching.

2242. Station service.

2243. Yard employees.

2244. Yard switching fuel.

2245. Miscellaneous yard expenses.

2246. Operating joint yards and terminals—Dr.

2247. Operating joint yards and terminals—Cr.

2248. Train employees.

2249. Train fuel.

2251. Other train expenses.

2252. Injuries to persons.

2253. Loss and damage.

2254. Other casualty expenses.

2255. Other rail transportation expenses.

2256. Operating joint tracks and facilities—Dr.

2257. Operating joint tracks and facilities—Cr.

Miscellaneous Operations

2259. Miscellaneous operations.

General

2261. Administration.

2262. Insurance.

2263. Valuation expenses.

2264. Other general expenses.

2265. General joint facilities—Dr.

2266. General joint facilities—Cr.

Accounts for Large Carriers—Class I—Con.

350. Traffic

351. Superintendence.
352. Outside agencies.
353. Advertising.
354. Traffic associations.
355. Fast freight lines.
356. Industrial and immigration bureaus.
357. Insurance.
358. Stationery and printing.
359. Other expenses.

370. Transportation—Rail Line

371. Superintendence.
372. Dispatching trains.
373. Station employees.
374. Weighing, inspection, and demurrage bureaus.
375. Coal and ore wharves.
376. Station supplies and expenses.
377. Yardmasters and yard clerks.
378. Yard conductors and brakemen.
379. Yard switch and signal tenders.
380. Yard enginemen.
381. Yard motormen.
382. Yard switching fuel.
383. Yard switching power produced.
384. Yard switching power purchased.
385. Water for yard locomotives.
386. Lubricants for yard locomotives.
387. Other supplies for yard locomotives.
388. Enginehouse expenses—Yard.
389. Yard supplies and expenses.
390. Operating joint yards and terminals—Dr.
391. Operating joint yards and terminals—Cr.
392. Train enginemen.
393. Train motormen.
401. Trainmen.
394. Train fuel.
395. Train power produced.
396. Train power purchased.
397. Water for train locomotives.
398. Lubricants for train locomotives.
399. Other supplies for train locomotives.
400. Enginehouse expenses—Train.
402. Train supplies and expenses.
403. Operating sleeping cars.
420. Injuries to persons.
418. Loss and damage—Freight.
419. Loss and damage—Baggage.
414. Insurance.
415. Clearing wrecks.
416. Damage to property.
417. Damage to live stock on right of way.
404. Signal and interlocker operation.
405. Crossing protection.
406. Drawbridge operation.
407. Telegraph and telephone operation.
408. Operating floating equipment.
409. Express service.
410. Stationery and printing.
411. Other expenses.
412. Operating joint tracks and facilities—Dr.
413. Operating joint tracks and facilities—Cr.

440. Miscellaneous Operations

441. Dining and buffet service.
442. Hotels and restaurants.
443. Grain elevators.
444. Stockyards.
445. Producing power sold.
446. Other miscellaneous operations.

450. General

451. Salaries and expenses of general officers.
452. Salaries and expenses of clerks and attendants.
453. General office supplies and expenses.
454. Law expenses.
455. Insurance.
459. Valuation expenses.
456. Relief department expenses.
457. Pensions.
458. Stationery and printing.
460. Other expenses.
461. General joint facilities—Dr.
462. General joint facilities—Cr.

INCOME, PROFIT AND LOSS, AND GENERAL BALANCE SHEET

§ 10.05 *General instructions.* The carrier's records shall be kept with sufficient particularity to show fully the facts pertaining to all entries made in the accounts provided herein for income, profit and loss, and general balance sheet. Where the full information is not recorded in the general books, the entries therein shall be supported by other records in which the full details shall be shown. Such general book entries shall contain sufficient reference to the detail records to permit ready identification, and the detail records shall be filed in such manner as to be readily accessible for examination by representatives of the Interstate Commerce Commission.

§ 10.05–1 *General ledger accounts.* When the title and definition of an income, profit and loss, or general balance-sheet account clearly indicate that it is a summary of other accounts, it is not required that a special ledger account shall be kept under such a title to include the balances from the accounts usually kept in the ledger, but in such case the titles of the subaccounts in the ledger shall give references by numbers, titles, or both, to the income, profit and loss, or general balance-sheet account prescribed herein of which they are subdivisions.

§ 10.05–2 *Leased road and equipment; depreciation.* The carrier shall include in operating expenses charges for depreciation on road property and equipment used but not owned the rent for which is includible in account 542, "Rent for leased roads and equipment," and shall maintain the same records of service lives, salvage values, etc., as provided for owned road property and equipment. The amount currently to be charged to account 542, "Rent for leased roads and equipment," is the excess of the total compensation over the amount chargeable by the carrier to the depreciation accounts in operating expenses. If settlement between the carrier and the lessor is not currently made, the amount of the depreciation accrued during the period of the lease shall be credited by the carrier to account 779, "Accrued depreciation—Leased property." The necessary adjustments of the difference between the balance thus accrued in that account and the actual amount of settlement shall appropriately be made through account 607, "Miscellaneous credits," or account 621, "Miscellaneous debits," at the time settlement for depreciation on the property is made with the lessor.

The carrier shall not include in the depreciation account in operating expenses any charges for depreciation of equipment used but not owned when the rents therefor are included in the rent for equipment and joint facility rent accounts 503 to 508 and 536 to 541, inclusive.

§ 10.05–3 *Closing general ledger.* Accounts shall be written up, posted to the general ledger and balanced monthly. The final entries for any month shall be made not later than 60 days after the last day of the month for which the accounts are stated, except that the period

within which the final entries for the month of December shall be made may be extended to such date in the following March as shall not interfere with the preparation and filing of annual reports as required by paragraph 2 of section 20 of the Interstate Commerce Act.

INCOME

§ 10.06 *Special instructions.*

§ 10.06–1 *Income accounts defined.* Income accounts are those designed to show, as nearly as practicable, for each fiscal period, the total amount of money that a carrier becomes entitled to receive for services rendered, the returns accrued upon investments, the accrued costs paid or payable for the services rendered by it, the losses sustained by it, the amounts accrued for taxes, for use of moneys and for use of properties of others, and the appropriations made from income during the period. The net balance of income (or loss) shall be carried to profit and loss.

§ 10.06–2 *Delayed items.* The carrier shall account for delayed items and adjustments and cancellation of entries recorded in balance-sheet accounts relating to income of former years in accordance with the instructions contained in § 10.02–3 *Delayed items.*

§ 10.06–3 *Unaudited items.* When the amount of any item affecting income cannot be accurately determined in time for inclusion in the accounts of the month in which the transaction occurs, the amount of the item shall be estimated and in such form included in the proper income account with contra entry to the appropriate balance-sheet account. When the item is audited the necessary adjustments shall be made through the accounts in which the estimate was recorded. If, during the interval between the date of inclusion of the item in the accounts and the date on which it is audited, a substantial difference from the initial estimate is determined, appropriate adjustments shall be made in the current accounts to cover such difference. The carrier is not required to anticipate items which would not appreciably affect the accounts.

INCOME ACCOUNTS

CREDITS

§ 10.501 *Railway operating revenues.* This account shall include the total revenues derived from operations as shown in the primary revenue accounts provided in these regulations.

§ 10.502 *Revenues from miscellaneous operations.* This account shall include the total revenues derived from the operation of miscellaneous operating physical property, such as that the cost of which is includible in balance-sheet account 705, "Miscellaneous physical property."

NOTE: The income from miscellaneous nonoperating physical property shall be included in account 511, "Miscellaneous nonoperating physical property."

§ 10.503 *Hire of freight cars; credit balance.* This account shall include the net credit balance of (1) amounts receivable accrued for the use of the accounting company's freight cars leased for less than one year, or interchanged, and (2) amounts payable accrued for the use of the freight cars of others, leased for less than one year, or interchanged. (See § 10.05–2 *Leased road and equipment; depreciation.*)

NOTE A: If the net balance is a debit, it shall be included in account 536, "Hire of freight cars—Debit balance."

NOTE B: Rent for freight cars included in the lease of road to another company shall be included in account 509, "Income from lease of road and equipment."

NOTE C: Rents paid for freight cars used in construction work-train service are chargeable to the cost of the work. (See paragraph (c) of § 10.01–4 *Cost of construction.*)

§ 10.504 *Rent from locomotives.* This account shall include amounts receivable accrued as rent for the use of the accounting company's locomotives leased for less than one year, or interchanged.

NOTE: Rent for locomotives included in lease of road to another company shall be included in account 509, "Income from lease of road and equipment."

§ 10.505 *Rent from passenger-train cars.* This account shall include amounts receivable accrued as rent for the use of the accounting company's passenger-train cars leased for less than one year, or interchanged.

NOTE: Rent for passenger-train cars included in lease of road to another company shall be included in account 509, "Income from lease of road and equipment.

§ 10.506 *Rent from floating equipment.* This account shall include amounts receivable accrued as rent for the use of the accounting company's floating equipment leased for less than one year or chartered.

NOTE: Rent from floating equipment included in lease of road to another company shall be included in account 509, "Income from lease of road and equipment."

§ 10.507 *Rent from work equipment.* This account shall include amounts receivable accrued as rent for the use of the accounting company's work equipment leased for less than one year or interchanged.

NOTE: Rent for work equipment included in lease of road to another company shall be included in account 509, "Income from lease of road and equipment."

§ 10.508 *Joint facility rent income.* This account shall include amounts receivable accrued for rent of equipment, tracks, yards, terminals, and other facilities owned or controlled by the accounting company and used jointly with other companies or individuals.

Amounts receivable from other companies in reimbursement for taxes on property jointly used shall be credited to this account.

NOTE: The portion of the cost of maintenance, operation, or administration of joint facilities recoverable from others shall be credited to the various joint facility accounts provided for operating expenses. When the compensation for the use of joint facilities is a fixed amount or is based upon a charge per passenger, ton, car, or other unit, it shall be fairly apportioned by the creditor between this account and the appropriate joint facility operating expense accounts.

§ 10.509 *Income from lease of road and equipment.* This account shall include the entire amount receivable accrued for the exclusive use of road, tracks, or bridges (including equipment or other railway property covered by the contract), and specific equipment leased for one year or more, the rented property being owned or controlled by the accounting company, whether payable to the accounting company in cash or disbursed by the lessee on behalf of the accounting company as interest on funded debt, guaranteed dividends on stock, or otherwise. (See Note C to account 717, "Interest and dividends receivable.")

When the lessor company maintains the road and equipment leased, the cost of maintaining the property rented shall be charged to this account, except that when the rent thus receivable for the use of property other than equipment is relatively small and the expense of maintenance is not separable, the entire amount received may be credited to revenue account 142, "Rents of buildings and other property."

If, under the terms of a lease, the deficit, or any portion of it, resulting from the lessee company's operations of the property leased is payable by the lessor company, the amount thus payable shall be charged to this account by the lessor.

NOTE A: When taxes on leased property are assumed by the lessor, the accruals of such taxes shall be included in the lessor's account 532, "Railway tax accruals."

NOTE B: If property the rent of which is chargeable to account 542, "Rent for leased roads and equipment," is sublet by the accounting company, the rent receivable therefor shall be credited to this account.

NOTE C: When specific charges against the lessee are made by the lessor for repairs of equipment which is actually maintained by it the amount of such charges shall be appropriately credited by the lessor to its equipment repair accounts and charged by the lessee to the corresponding accounts.

§ 10.510 *Miscellaneous rent income.* This account shall include such rents of property owned and controlled by the accounting carrier as are not provided for in the foregoing accounts.

To this account shall be charged the cost of maintenance of the property rented, also specific incidental expenses in connection with such property, such as the cost of negotiating contracts, advertising for tenants, fees paid conveyances, collectors' commissions, and analogous items.

NOTE A: If property the rent of which is chargeable to account 543, "Miscellaneous rents," is sublet by the accounting company, the rent receivable therefor shall be credited to this account.

NOTE B: Taxes on property the rent of which is creditable to this account shall be charged to account 532, "Railway tax accruals."

NOTE C: The rent from property carried in balance-sheet account 705, "Miscellaneous physical property," shall not be included in this account, but in account 511, "Miscellaneous nonoperating physical property."

NOTE D: Rent and other income from real estate acquired for new lines or for additions and betterments shall be credited to the appropriate road and equipment accounts until the completion or coming into service of the property.

§ 10.511 *Miscellaneous nonoperating physical property.* This account shall

include the net credit balance of the nonoperating revenues or income from, and the expenses (including depreciation, but excluding taxes) of, physical property the cost of which is carried in balance-sheet account 705, "Miscellaneous physical property."

NOTE A: Net debit balances in this account shall be shown in red ink.

NOTE B: The revenues from the operation of miscellaneous operating physical property shall be included in income account 502, "Revenues from miscellaneous operations," and the expenses of operation shall be included in account 534, "Expenses of miscellaneous operations."

§ 10.512 *Separately operated properties; profit.* This account shall include amounts receivable under the terms of agreements or contracts whereby the surplus resulting from the operation by others of properties of other companies having a separate corporate existence is to be paid, in whole or in part, to the accounting company.

In determining the amount receivable by the accounting company, consideration shall be given not only to the operating revenues and operating expenses but also to other items of income or deduction which affect that amount.

NOTE A: The amount payable by the operating company shall be charged by it to account 550, "Income transferred to other companies."

NOTE B: Dividends or other returns upon securities issued by separately operated companies, and held or controlled by the accounting company, shall be included in accounts 513, "Dividend income"; 514, "Income from funded securities"; 515, "Income from unfunded securities and accounts"; or 516, "Income from sinking and other reserve funds," as may be appropriate.

§ 10.513 *Dividend income.* This account shall include dividends declared on railway and other stocks, the income from which is the property of the accounting company, whether such stocks are owned by the accounting company and held in its treasury or deposited in trust, or are controlled through lease or otherwise.

Dividends declared shall not be credited prior to actual collection unless their payment is reasonably assured by past experience, guaranty, anticipated provision, or otherwise. (See Note C to account 717, "Interest and dividends receivable.")

Accruals of guaranteed dividends may be included in this account if their payment is reasonably assured.

NOTE A: This account shall not include credits for dividends on stocks issued or assumed by the accounting company and owned by it, whether pledged as collateral or held in its treasury, in special deposits, or in sinking or other reserve funds.

NOTE B: Dividends on stocks of other companies held in sinking or other reserve funds shall be credited to account 516, "Income from sinking and other reserve funds."

§ 10.514 *Income from funded securities.* This account shall include interest on bonds and other funded securities and on debenture stock of other companies, the income from which is the property of the accounting company, whether such securities are owned by the accounting company and held in its treasury or deposited in trust, or are controlled through lease or otherwise. Interest accrued shall not be credited prior to actual collection unless its payment is reasonably assured by past experience, guaranty, anticipated provision, or otherwise. (See Note C to account 717, "Interest and dividends receivable.")

At the option of the accounting company there may be included each year in this account the portion, applicable to the fiscal period, of the amount requisite to extinguish, during the interval between the date of acquisition and the date of maturity, the discount or premium on funded securities of other companies owned. Amounts thus credited or charged shall be concurrently charged or credited to the account in which the cost of the securities is carried.

NOTE A: The term "funded securities" as here used means all unmatured bonds, notes, and other evidences of indebtedness (except open accounts for advances) none of which by the terms of the creation of the debt matures until more than one year after the date of such creation, provided that in case of an obligation maturing serially, such as car-trust notes, the entire amount shall be included in funded securities if any portion of the obligation matures later than one year after date of issue.

NOTE B: This account shall not include interest on funded securities issued or assumed by the accounting company and owned by it, whether pledged as collateral or held in its treasury, in special deposits, or in sinking or other reserve funds.

NOTE C: Interest on funded securities of other companies held in sinking or other reserve funds shall be included in account 516, "Income from sinking and other reserve funds."

§ 10.515 *Income from unfunded securities and accounts.* This account shall include interest on unfunded securities, notes, and other evidences of indebtedness payable on demand or having dates of maturity one year or less from the date of issue, interest on bank balances and on open accounts, and other analogous items, including discount on short-term notes. The discount on short-term notes shall be distributed, through equal monthly credits, over the terms of the notes. (See Note C to account 717, "Interest and dividends receivable.")

NOTE A: Interest on assets held in sinking and other reserve funds shall be included in account 516, "Income from sinking and other reserve funds."

NOTE B: Discount on bills for material purchased shall be credited to the accounts to which is charged the cost of the material with respect to which the discount is allowed.

§ 10.516 *Income from sinking and other reserve funds.* This account shall include the income accrued on cash, securities, and other assets (not including securities issued or assumed by the accounting company) held in sinking and other reserve funds. (See Note C to account 717, "Interest and dividends receivable.")

At the option of the accounting company there may be included each year in this account the portion, applicable to the fiscal period, of the amount requisite to extinguish, during the interval between the date of acquisition and the date of maturity, the discount or premium on funded securities held in sinking or other reserve funds. Amounts thus credited or charged shall be concurrently charged or credited to the account in which the cost of the securities is carried.

NOTE: Credits to fund reserve accounts representing income on reserve funds shall be concurrently charged to account 552, "Income applied to sinking and other reserve funds."

§ 10.517 *Release of premiums on funded debt.* This account shall include, during each fiscal period, such proportion of the premiums on outstanding funded debt as may be applicable to the period. This proportion shall be determined in accordance with § 10.08–3 *Discount, expense, and premium on funded debt.*

§ 10.518 *Contributions from other companies.* This account shall include amounts received or receivable from other companies or individuals, representing the whole or a part of the net deficit of the accounting company when, under the terms of agreements or contracts, no obligation for subsequent reimbursement is incurred.

In determining the amount receivable by the accounting company, consideration shall be given not only to the operating revenues and operating expenses, but also to other items of income or deduction which affect that amount.

NOTE: The amount payable shall be charged by the contributing company to account 545, "Separately operated properties—Loss."

§ 10.519 *Miscellaneous income.* This account shall include all items, not provided for elsewhere, properly creditable to income account during the fiscal period.

§ 10.520 *Delayed income credits.* This account shall include delayed credit items and adjustments for which no provision has previously been made, relating to operating revenues, operating expenses, and income arising during the current year which are applicable to prior years and which are relatively so large that their inclusion in the appropriate accounts of the current year would seriously distort the accounts for the year. (See § 10.02–3 *Delayed items.*)

NOTE: All entries in this account shall be made in such detail as will indicate the operating-revenue, operating-expense or income accounts to which they relate.

DEBIT

§ 10.531 *Railway operating expenses.* This account shall include the total expenses caused by operations, as shown in the primary expense accounts provided in these regulations.

§ 10.532 *Railway tax accruals.* This account shall include accruals for taxes of all kinds (including Federal income tax) relating to railway property (including floating equipment, if any), operations, and privileges, whether based upon the valuation of the property, amount of stocks and bonds or other evidences of debt issued or outstanding; gross or net earnings, dividends declared, number of passengers carried, quantity of freight transported, length of line operated or owned, rolling stock operated or owned, or other basis; also taxes for issuing and recording mortgages and

trust deeds and for issuing bonds or other evidences of long-term debt.

The taxes on leased property shall be included in this account by the carrier obligated to assume such expenses under the terms of the lease.

NOTE A: Taxes on leased property paid by one party to the lease and chargeable to the other party to the lease shall be charged directly to the party bearing the expense and not included in the income account of the party first making payment.

NOTE B: Taxes on other than railway property, operations, and privileges shall be charged to account 544, "Miscellaneous tax accruals," when the amount is separable from the taxes chargeable to this account.

NOTE C: Special assessments for street and other improvements, and special benefit taxes, such as water taxes and the like, shall be included in operating expense accounts or investment accounts, as may be appropriate.

NOTE D: Amounts received in reimbursement of taxes on property jointly used shall be credited to account 508, "Joint facility rent income." Amounts paid in reimbursement of such taxes shall be charged to account 541, "Joint facility rents."

NOTE E: Taxes accruing on new lines under construction or on property acquired for the extension of existing lines or for addition or betterment purposes before the facilities are opened for commercial operation or the property acquired becomes available for service shall be charged to road and equipment accounts.

§ 10.534 *Expenses of miscellaneous operations.* This account shall include the total expenses caused by the operation of miscellaneous physical property the cost of which is includible in balance-sheet account 705, "Miscellaneous physical property."

NOTE: The expenses of miscellaneous nonoperating physical property shall be included in account 511, "Miscellaneous nonoperating physical property."

§ 10.535 *Taxes on miscellaneous operating property.* This account shall include accruals of taxes paid or payable upon miscellaneous operating property, such as that the cost of which is includible in account 705, "Miscellaneous physical property."

NOTE: Taxes upon miscellaneous nonoperating physical property shall be included in account 544, "Miscellaneous tax accruals.".

§ 10.536 *Hire of freight cars; debit balance.* This account shall include the net debit balance of (1) amounts receivable accrued for the use of the accounting company's freight cars leased for less than one year, or interchanged, and (2) amounts payable accrued for the use of the freight cars of others, leased for less than one year, or interchanged. (See § 10.05–2 *Leased road and equipment; depreciation.*)

NOTE A: If the net balance is a credit it shall be included in account 503, "Hire of freight cars—Credit balance."

NOTE B: Rent for freight cars included in the lease of road to the accounting company shall be included in account 542, "Rent for leased roads and equipment."

NOTE C: Interest accrued on equipment obligations shall be charged to account 546, "Interest on funded debt."

NOTE D: Rents paid for freight cars used in construction work-train service are chargeable to the cost of the work. (See paragraph (c) of § 10.01–4 *Cost of construction.*)

§ 10.537 *Rent for locomotives.* This account shall include amounts payable accrued for the use of the locomotives of others, leased for less than one year, or interchanged, except as provided for in the classification for investment in road and equipment. (See § 10.05–2 *Leased road and equipment; depreciation.*)

NOTE A: The rent for locomotives included in the lease of road to the accounting company shall be included in account 542, "Rent for leased roads and equipment."

NOTE B: Interest accrued on equipment obligations shall be charged to account 546, "Interest on funded debt."

NOTE C: Rent paid for locomotives used in construction work-train service is chargeable to the cost of the work. (See paragraph (c) of § 10.01–4 *Cost of construction.*)

§ 10.538 *Rent for passenger-train cars.* This account shall include amounts payable accrued for the use of the passenger-train cars of others, leased for less than one year, or interchanged, and also for use of sleeping cars operated under contract arrangement, except as provided for in the classification for investment in road and equipment. (See § 10.05–2 *Leased road and equipment; depreciation.*)

NOTE A: The rent for passenger-train cars included in the lease of road to the accounting company shall be included in account 542, "Rent for leased roads and equipment."

NOTE B: Interest accrued on equipment obligations shall be charged to account 546, "Interest on funded debt."

§ 10.539 *Rent for floating equipment.* This account shall include amounts payable accrued for the use of the floating equipment of others, leased for less than one year, or chartered, except as provided for in the classification for investment in road and equipment. (See § 10.05–2 *Leased road and equipment; depreciation.*)

NOTE A: The rent of floating equipment included in the lease of road to the accounting company shall be included in account 542, "Rent for leased roads and equipment."

NOTE B: Interest accrued on equipment obligations shall be charged to account 546, "Interest on funded debt."

§ 10.540 *Rent for work equipment.* This account shall include amounts payable accrued for the use of the work equipment of others, leased for less than one year, or interchanged. (See § 10.05–2 *Leased road and equipment; depreciation.*)

NOTE A: The rent for work equipment included in the lease of road to the accounting company shall be included in account 542, "Rent for leased roads and equipment."

NOTE B: Interest accrued on equipment obligations shall be charged to account 546, "Interest on funded debt."

NOTE C: Rent paid for work equipment when used in construction work-train service is chargeable to the cost of the work. (See paragraph (c) of § 10.01–4 *Cost of construction.*)

§ 10.541 *Joint facility rents.* This account shall include amounts payable accrued as rent for equipment, tracks, yards, terminals, and other facilities owned or controlled by other carriers, companies, or individuals, and in the joint use of which the accounting company participates.

Amounts paid or payable by the accounting company in reimbursement for taxes on property jointly used shall be charged to this account.

NOTE: The cost of maintenance, operation, or administration of joint facilities, chargeable to the accounting company, shall be charged to the various joint facility accounts provided for operating expenses. When the compensation for the use of joint facilities is a fixed amount or is based upon a charge per passenger, ton, car, or other unit, it shall be fairly apportioned between this account and the appropriate joint facility operating expense accounts. This apportionment shall be made by the operating company, and shall be followed by the accounting company.

§ 10.542 *Rent for leased roads and equipment.* This account shall include amounts payable accrued as rent for roads, tracks, or bridges (including equipment or other railway property covered by the contract), and for specific equipment held under lease for one year or more, the property being owned by other companies and held under lease or other agreement by the terms of which exclusive use and control for operating purposes are secured. The entire amount of rent payable by the lessee in accordance with the agreement shall be included in this account, whether paid to the lessor in cash or disbursed by the lessee, on behalf of the lessor, as interest on funded debt, guaranteed dividends on stock, or otherwise. (See § 10.05–2 *Leased road and equipment; depreciation.*)

NOTE A: When taxes on leased property are assumed by the lessee the accruals of such taxes shall be included in the lessee's account 532, "Railway tax accruals."

NOTE B: If, under the terms of a lease, the deficit or any portion of it resulting from the lessee's operation of the property leased is payable by the lessor company, the amount shall be charged to account 509, "Income from lease of road and equipment," by the lessor and credited to this account by the lessee.

NOTE C: If property, the rent of which is chargeable to this account, is sublet by the accounting company to others, the rent from the sublease shall be credited to account 509, "Income from lease of road and equipment."

NOTE D: Payments for the exclusive use of road and equipment maintained by the lessor and used in the accounting company's operations (when considerable in amount and when not provided for in the classifications of operating expenses) shall be divided into two portions: One, representing cost of maintenance shall be charged to the appropriate maintenance accounts and the other, representing rent (amount applicable to the investment in the property), shall be charged to this account.

NOTE E: When specific charges against the lessee are made by the lessor for repairs of equipment which is actually maintained by it the amount of such charges shall be appropriately credited by the lessor to its equipment repair accounts and charged by the lessee to the corresponding accounts.

§ 10.543 *Miscellaneous rents.* This account shall include rents payable accrued on property held by the accounting company under lease or other agreement and not properly chargeable to any of the foregoing accounts.

NOTE A: This account shall not include rents provided for in the operating expense accounts.

NOTE B: If property, the rent of which is chargeable to this account, is sublet by the

accounting company to others, the rent from the sublease shall be credited to account 510, "Miscellaneous rent income."

NOTE C: Payments for the exclusive use of miscellaneous property maintained by the lessor and used by the accounting company shall be divided into two portions: One, representing the cost of maintenance, shall be charged to the appropriate operating accounts, and the other, representing rent (amount applicable to the investment in the property), shall be charged to this account. The bill rendered by the creditor shall show the distribution of the payments as between maintenance and rent, and such distribution shall be adhered to by the debtor.

§ 10.544 *Miscellaneous tax accruals.* This account shall include all accruals for taxes not provided for elsewhere, such as taxes on securities owned, taxes on income from securities owned, and taxes on miscellaneous nonoperating physical property the cost of which is includible in balance-sheet account 705, "Miscellaneous physical property."

NOTE A: When the proper separation of any particular tax is not ascertainable the entire amount shall be included in account 532, "Railway tax accruals."

NOTE B: Taxes upon miscellaneous operating property shall be charged to account 535, "Taxes on miscellaneous operating property."

§ 10.545 *Separately operated properties; loss.* This account shall include amounts payable under the terms of agreements or contracts whereby the deficit resulting from the operation by others of properties of other companies having a separate corporate existence is to be paid, in whole or in part, by the accounting company.

In determining the amount payable by the accounting company, consideration shall be given not only to the operating revenues and operating expenses, but also to other items of income or deductions which affect that amount.

NOTE A: The amount receivable by the operating company shall be credited by it to account 518, "Contributions from other companies."

NOTE B: Dividends or other returns upon securities issued by separately operated companies and held or controlled by the accounting company shall not be included in this account to offset a deficit payable, but in accounts 513, "Dividend income"; 514, "Income from funded securities"; 515, "Income from unfunded securities and accounts," as may be appropriate.

§ 10.546 *Interest on funded debt.* This account shall include the current accruals of interest on all classes of long-term debt, the principal of which is includible in account 755, "Funded debt unmatured"; 755½, "Debt in default"; 756, "Receivers' and trustees' securities"; 756½, "Equipment obligations"; and 757, "Amounts payable to affiliated companies," also interest accruals on debenture stock. This account shall be kept in such form that the interest on debenture stock, on receivers' and trustees' securities, and on other classes of funded debt may be shown separately in the annual report to the Commission.

NOTE A: This account shall not include charges for interest on funded debt obligations issued or assumed by the accounting company and owned by it, whether pledged as collateral or held in its treasury, in special deposits, or in sinking or other reserve funds. (See account 552, "Income applied to sinking and other reserve funds.")

NOTE B: When funded debt is incurred for new lines or extensions, or for addition and betterment purposes, the accruals of interest on such funded debt (less interest received on unexpended balances), to the date of completion or coming into service of the property so acquired shall be included in the road and equipment accounts.

NOTE C: This account shall be maintained so as to show separately: (a) fixed interest which will be paid, or for which provision for payment will be made, when the interest matures; (b) interest in default; and (c) contingent interest determined to be payable.

§ 10.547 *Interest on unfunded debt.* This account shall include interest accrued on unfunded debt, such as short-term notes payable on demand or having dates of maturity one year or less from dates of issue, and open accounts including interest on overcharge claims, discount and expense on demand and short-term loans, interest on receipts outstanding for installments paid on capital stock, and other analogous items. The discount on short-term notes, if of a considerable amount, shall be distributed through equal monthly charges, over the term of the notes.

NOTE: When short-term notes or other evidences of unfunded indebtedness are issued for new lines or extensions or for addition and betterment purposes the accrual of interest to the date of completion or coming into service of the property shall be included in the road and equipment accounts.

§ 10.548 *Amortization of discount on funded debt.* This account shall be charged during each fiscal period with the proportion of the discount and expense on funded debt obligations applicable to that period. This proportion shall be determined according to a rule the uniform application of which through the interval between the date of sale and the date of maturity will extinguish the discount and expense on funded debt. The charge to this account for any period must not be either greater or less than the proportion of the balance remaining unamortized applicable to that period so long as any portion of the discount and expense remains unextinguished, except that if the total discount and expense applicable to any particular issue of securities does not exceed $25,000, the entire amount may be charged to this account at time of issue. (See § 10.08–3 *Discount expense and premium on funded debt.*)

§ 10.549 *Maintenance of investment organization.* This account shall include the directly assignable organization and administration expenses of the accounting company which are incident to its investments in leased or nonoperating physical property, and in stocks, bonds, or other securities.

ITEMS OF EXPENSE

Advertising annual reports (lessor companies only).
Calls for bonds in accordance with sinking fund provisions of mortgages.
Directors' fees.
Printing and mailing dividend checks.
Publishing and mailing annual reports and other corporate statements to shareholders.
Publishing notices of declaration of dividends.
Law expenses.
Office expenses.
Salaries of officers, clerks, and attendants.
Stationery and printing.

NOTE: Organization and administration expenses incident to railway operation are provided for in operating expense general account 450, "General."

§ 10.550 *Income transferred to other companies.* This account shall include the whole or any portion of the income of the accounting company payable to another company under the terms of agreements or contracts without obligation for reimbursement.

In determining the amount payable by the accounting company, consideration shall be given not only to operating revenues and operating expenses, but also to other items of income or deduction which affect that amount.

NOTE A: The amount receivable by the other company shall be credited by it to account 512, "Separately operated properties—Profit."

NOTE B: Dividends or other payments upon securities issued or assembled by the accounting company shall not be included in this account.

§ 10.551 *Miscellaneous income charges.* This account shall include all items in the nature of fixed charges properly chargeable to income account for a fiscal period not provided for elsewhere, such as "normal" and "additional" income tax upon the interest on accounting company's funded debt when assumed by it.

§ 10.552 *Income applied to sinking and other reserve funds.* This account shall include amounts applied to sinking and other reserve funds from income, whether definite appropriations from income; allotments or payments of definite amounts from income under the terms of mortgages, deeds of trust, or other contracts that provide for such allotments or payments; or accretions representing interest or other returns accrued on the contents of such funds and required to be retained therein.

NOTE A: The amounts charged to this account shall be concurrently credited to account 785, "Earned surplus—Appropriated."

NOTE B: Similar appropriations made from surplus shall be charged to profit and loss account 613, "Surplus applied to sinking and other reserve funds."

§ 10.553 *Dividend appropriations of income.* This account shall include amounts definitely declared payable from the income of the fiscal period, as dividends on actually outstanding capital stock issued or assumed by the accounting company, other than debenture stock. (See definition of the several classes of capital stock in balance-sheet account 751, "Capital stock.") If a dividend is not payable in cash the consideration shall be described in the entry with sufficient particularity to identify it.

This account shall be subdivided so as to show separately the dividends on the various subclasses of capital stock.

NOTE A: Interest accrued on debenture stock shall be charged to account 546, "Interest on funded debt."

NOTE B: This account shall not include charges for dividends on capital stock issued or assumed by the accounting company and owned by it, whether pledged as collateral, or held in its treasury, in special deposits, or in sinking or other reserve funds. (See account 552, "Income applied to sinking and other reserve funds.")

NOTE C: This account shall be used when the appropriations are definitely made chargeable to income. Similar appropriations made from surplus shall be charged to profit and loss account 614, "Dividend appropriations of surplus."

§ 10.554 *Income appropriated for investment in physical property.* This account shall include amounts definitely appropriated from income to be applied for the construction or acquisition of new lines and extensions and of additions to and betterments of property the cost of which is chargeable to road and equipment accounts or applied for the construction or acquisition of property the cost of which is includible in balance-sheet account 705, "Miscellaneous physical property."

Records of the accounting carrier shall be so kept that the appropriations charged to this account for any fiscal period may be distinguished as relating to (a) amounts expended during preceding fiscal periods, (b) amounts expended during the current fiscal period, and (c) amounts held in reserve.

The records shall also show separately appropriations for investment in road and equipment and for investment in miscellaneous physical property.

NOTE A: Similar appropriations made from surplus shall be charged to profit and loss account 615, "Surplus appropriated for investment in physical property."

NOTE B: The amounts charged to this account shall be concurrently credited to account 785, "Earned surplus—Appropriated."

§ 10.555 *Stock discount extinguished through income.* This account shall include amounts definitely appropriated from income to reduce or extinguish the amount of discount on capital stock issued by the accounting company. (See balance-sheet account 754, "Discount on capital stock.")

NOTE: Similar appropriations made from surplus shall be charged to profit and loss account 616, "Stock discount extinguished through surplus."

§ 10.556 *Miscellaneous appropriations of income.* Except as provided in account 552, "Income applied to sinking and other reserve funds," this account shall include amounts definitely appropriated from income for the discharge of the principal (less the discount, if any, suffered at the time of sale) of any indebtedness incurred in the acquisition or improvement of property carried in the road and equipment accounts; also amounts similarly appropriated to provide a reserve for doubtful accounts, and for other purposes not provided for elsewhere.

NOTE A: Similar appropriations made from surplus shall be charged to profit and loss account 618, "Miscellaneous appropriations of surplus."

NOTE B: The amounts charged to this account shall be concurrently credited to account 785, "Earned surplus—Appropriated."

§ 10.557 *Delayed income debits.* This account shall include delayed debit items and adjustments for which no provision has previously been made, relating to operating revenues, operating expenses, and income arising during the current year which are applicable to prior years, and which are relatively so large that their inclusion in the appropriate accounts of the current year would seriously distort the accounts for the year. (See § 10.02–3 *Delayed items.*)

NOTE: All entries in this account shall be made in such detail as will indicate the operating-revenue, operating-expense or income accounts to which they relate.

§ 10.560 *Form of income statement.* The classified form of income statement is designed to show the financial changes resulting from transportation operations and other business of the accounting company during any specified period.

OPERATING INCOME

Railway operating income

501. Railway operating revenues [1] ——
531. Railway operating expenses [1] ——
Net revenue from railway operations [2] ——
532. Railway tax accruals ——
Railway operating income [2] ——

Rent income

503. Hire of freight cars—Credit balance ——
504. Rent from locomotives ——
505. Rent from passenger-train cars ——
506. Rent from floating equipment ——
507. Rent from work equipment ——
508. Joint facility rent income ——
Total rent income ——

Rents payable

536. Hire of freight cars—Debit balance ——
537. Rent for locomotives ——
538. Rent for passenger-train cars ——
539. Rent for floating equipment ——
540. Rent for work equipment ——
541. Joint facility rents ——
Total rents payable ——
Net rents [2] ——
Net railway operating income [2] ——

OTHER INCOME

502. Revenues from miscellaneous operations ——
509. Income from lease of road and equipment ——
510. Miscellaneous rent income —— ——
511. Miscellaneous nonoperating physical property ——
512. Separately operated properties—Profit ——
513. Dividend income ——
514. Income from funded securities ——
515. Income from unfunded securities and accounts ——
516. Income from sinking and other reserve funds ——
517. Release of premiums on funded debt ——
518. Contributions from other companies ——
519. Miscellaneous income ——
520. Delayed income credits ——
Total other income ——
Total income [2] ——

MISCELLANEOUS DEDUCTIONS FROM INCOME

534. Expenses of miscellaneous operations ——
535. Taxes on miscellaneous operating property ——
543. Miscellaneous rents ——
544. Miscellaneous tax accruals ——
545. Separately operated properties—Loss ——
549. Maintenance of investment organization ——
550. Income transferred to other companies ——
551. Miscellaneous income charges ——
557. Delayed income debits ——
Total miscellaneous deductions ——
Income available for fixed charges [2] ——

FIXED CHARGES

542. Rent for leased roads and equipment ——
546. Interest on funded debt
(a) Fixed interest not in default ——
(b) Interest in default ——
547. Interest on unfunded debt ——
548. Amortization of discount on funded debt ——
Total fixed charges ——
Income after fixed charges [2] ——

CONTINGENT CHARGES

552. Income applied to sinking and other reserve funds
(a) Income applied to capital funds under Governmental authority or other arrangements ——
(b) Increments to other special funds required to be retained therein and not subject to withdrawal except for purposes of the funds ——
546. Interest on funded debt
(c) Contingent interest ——
Total contingent charges ——
Net income after fixed charges and other deductions [2] ——

DISPOSITION OF NET INCOME

552. Income applied to sinking and other reserve funds
(c) Appropriations, allotments, and payments of definite amounts to funds from income not includible in 552 (a) or 552 (b) ——
553. Dividend appropriations of income ——
554. Income appropriated for investment in physical property ——
555. Stock discount extinguished through income ——
556. Miscellaneous appropriations of income ——
Total appropriations of income ——
602. Balance of income transferred to Profit and Loss [2] ——

SUPPLEMENTARY STATEMENT OF SPECIFIED INCOME ITEMS

Net railway operating income ——
Add depreciation—Way and structures ——
Add depreciation—Equipment —— ——
Add amortization of defense projects—Road —— ——
Add amortization of defense projects—Equipment —— ——
Net railway operating income before depreciation and amortization of defense projects ——
Net income ——
Add Federal income taxes ——
Net income before Federal income taxes ——
Net income ——
Add depreciation—Way and structures ——
Add depreciation—Equipment ——
Add amortization of defense projects—Road —— ——
Add amortization of defense projects—Equipment —— ——
Add Federal income taxes —— ——
Net income before depreciation, amortization of defense projects, and Federal income taxes ——

[1] Includes operations of Water Lines, if any.
[2] If a loss the amount shall be shown in red.

PROFIT AND LOSS

§ 10.07 *Special instructions.* This group of accounts forms the connecting link between the income accounts and general balance sheet account 786, "Earned surplus — Unappropriated." They are designed to show the changes in earned surplus during each fiscal period as affected by the balance of the income accounts as reported for the period; by any disposition of earned surplus made at the option of the carrier; and by miscellaneous gains and losses not accounted for elsewhere.

PROFIT AND LOSS ACCOUNTS

CREDIT

§ 10.601 *Credit balance (at beginning of calendar year).* This account shall include the net credit balance in the earned surplus account at the beginning of the calendar year.

§ 10.602 *Credit balance transferred from income.* This account shall show the net credit balance brought forward from the income account for the calendar year.

§ 10.607 *Miscellaneous credits.* This account shall include amounts, not provided for elsewhere, transferred from other accounts to profit and loss, and amounts representing increases of resources not properly assignable to the income accounts. Among the items which shall be included in this account are:

Adjustments or cancellations of balance-sheet accounts, relating to profit and loss accounts,

Cancellation of balance-sheet accounts representing unclaimed wages and vouchered accounts written off because of carrier's inability to locate the creditor.

Profit from the sale of land carried in account 701, "Road and equipment property," (see § 10.01–10 *Land retired*),

Profit derived from the sale of investment securities,

Profit derived from the sale of property carried in balance-sheet account 705, "Miscellaneous physical property,"

Credits resulting from adjustments required to bring to par funded debt securities issued or assumed by the accounting company and reacquired at a cost less than the par value,

Unreleased premiums on funded debt reacquired before maturity (see § 10.08–3 *Discount, expense, and premium on funded debt*).

Collection of old accounts previously written off to profit and loss.

DEBIT

§ 10.611 *Debit balance (at beginning of calendar year).* This account shall include the net debit balance in the earned surplus account at the beginning of the calendar year.

§ 10.612 *Debit balance transferred from income.* This account shall show the net debit balance brought forward from the income account for the calendar year.

§ 10.613 *Surplus applied to sinking and other reserve funds.* This account shall include amounts definitely appropriated from earned surplus and applied to sinking and other reserve funds; and allotments or payments of definite amounts from earned surplus into sinking and other reserve funds under the terms of mortgages, deeds of trust, or other contracts that provide for such allotments or payments.

NOTE A: The amounts charged to this account shall be concurrently credited to account 785, "Earned surplus—Appropriated."

NOTE B: Similiar appropriations made from income shall be charged to income account 552, "Income applied to sinking and other reserve funds."

§ 10.614 *Dividend appropriations of surplus.* This account shall include amounts definitely declared payable from earned surplus as dividends on actually outstanding capital stock issued or assumed by the accounting company, other than debenture stock. (See definition of the several classes of capital stock in balance-sheet account 751, "Capital stock.") If a dividend is not payable in cash the consideration shall be described in the entry with sufficient particularity to identify it.

This account shall be subdivided so as to show separately the dividends on the various subclasses of capital stock.

NOTE A: Interest accrued on debenture stock shall be charged to income account 546, "Interest on funded debt."

NOTE B: This account shall not include charges for dividends on capital stock issued or assumed by the accounting company and owned by it, whether pledged as collateral or held in its treasury, in special deposits, or in sinking or other reserve funds. (See account 613, "Surplus applied to sinking and other reserve funds.")

NOTE C: Similar appropriations made from income shall be charged to income account 553, "Dividend appropriations of income."

§ 10.615 *Surplus appropriated for investment in physical property.* This account shall include amounts definitely appropriated from earned surplus, to be applied for the construction or acquisition of new lines and extensions and of additions to and betterments of property the cost of which is includible in the road and equipment accounts or applied for the construction, acquisition, or improvement of property the cost of which is includible in balance-sheet account 705, "Miscellaneous physical property."

Records of the accounting carrier shall be so kept that the appropriations charged to this account for any fiscal period may be distinguished as relating to (a) amounts expended during preceding fiscal periods, (b) amounts expended during the current fiscal period, and (c) amounts held in reserve.

NOTE A: Similar appropriations made from income shall be charged to income account 554, "Income appropriated for investment in physical property."

NOTE B: The amounts charged to this account shall be concurrently credited to account 785, "Earned surplus—Appropriated."

§ 10.616 *Stock discount extinguished through surplus.* This account shall include amounts definitely appropriated from earned surplus to reduce or extinguish the amount of discount on capital stock issued by the accounting company. (See § 10.08–2 *Discount, premium, and assessment on capital stock.*)

NOTE: Similar appropriations made from income shall be charged to income account 555, "Stock discount extinguished through income."

§ 10.618 *Miscellaneous appropriations of surplus.* This account shall include amounts definitely appropriated from earned surplus to provide a reserve for doubtful accounts and, except as provided in account 613, "Surplus applied to sinking and other reserve funds," for the discharge of the principal (less the discount, if any, suffered at the time of sale) of any indebtedness incurred in the acquisition or improvement of property carried in the road and equipment accounts; also other amounts appropriated from surplus and not provided for elsewhere.

NOTE A: Similar appropriations made from income shall be charged to income account 556, "Miscellaneous appropriations of income."

NOTE B: The amounts charged to this account shall be concurrently credited to account 785, "Earned surplus—Appropriated."

§ 10.621 *Miscellaneous debits.* This account shall include amounts, not provided for elsewhere, chargeable to profit and loss from other accounts, amounts written off in consequence of adjustments, and payments not properly chargeable to the income accounts. Among the items which shall be charged to this account are:

Adjustments or cancellations of balance-sheet accounts, relating to profit and loss accounts,

Losses resulting from the sale of investment securities,

Losses resulting from the sale, destruction, or abandonment of property carried in balance-sheet account 705, "Miscellaneous physical property,"

Debits resulting from adjustments required to bring to par funded debt securities issued or assumed by the accounting company and reacquired at a cost exceeding the par value,

Adjustments of the difference between the ledger value of land credited to account 701, "Road and equipment property," and the estimated value thereof charged to account 705, "Miscellaneous physical property" (see § 10.01–10 *Land retired*),

Loss from the sale of land carried in account 701, "Road and equipment property" (see § 10.01–10 *Land retired*),

Discount on capital stock remaining unextinguished at the time of its reacquisition, resale, or retirement if in excess of the pro rata portion includible in unearned surplus,

Unextinguished discounts on funded debt reacquired before maturity,

Payments of old accounts previously written off to profit and loss,

Penalties and fines for violation of the Interstate Commerce Act, or other Federal laws, when not specifically provided for elsewhere.

GENERAL BALANCE SHEET

§ 10.08 *Special instructions.*

§ 10.08–1 *Balance sheet accounts.* Balance sheet accounts are intended to disclose the financial condition of the carrier as of a given date by showing the assets, liabilities, capital stock, and related items and surplus or deficit of the carrier.

§ 10.08–2 *Discount, premium, and assessment on capital stock.* Separate ledger accounts shall be provided for each subclass of capital stock issued or assumed by the accounting company to cover discount suffered and premium realized at the sale or resale of capital stock. General levies or assessments against stockholders shall be credited to the appropriate ledger accounts for the subclass of capital stock against which the levy or assessment is made.

The total of net debit balances in these ledger accounts shall be included in account 754, "Discount on capital stock," and the total of net credit balances in account 753, "Premiums and assessments on capital stock."

By the term "discount" is meant the excess of the par value of stocks issued or assumed, plus dividends declared and accrued at the date of sale, over the money value of the consideration receive at their sale.

By the term "premium" is meant the excess of the money value of the consideration received at the sale of stocks over the sum of their par value and dividends declared and accrued at the date of sale.

Discount on each subclass of capital stock may be offset or reduced by charges to account 753, "Premiums and assessments on capital stock," t the extent that net gains from premiums or assessments have been included therein or to subaccount 784.1, "Paid-in surplus," to the extent that net gains from reacquisition and resale or retirement of capital stock applicable to such subclass have been included therein. Any remaining discount may be amortized by charges to account 555, "Stock discount extinguished through income"; account 616, "Stock discount extinguished through surplus"; or discount may be retained and carried in account 754, "Discount on capital stock," until the stock to which the discount applies is retired.

In case the accounting company is permitted and elects with the approval of the Commission, to distribute all or any part of the net balance of paid-in surplus to its stockholders, the amount thus distributed shall be charged to subaccount 784.1, "Paid-in surplus."

When an issue of capital stock, or any part thereof, is reacquired either by purchase or through donations by shareholders, and is not canceled, it shall be charged at its par value or if stock without par value at the proportionate amount at which the particular class of stock is included in account 751, "Capital stock," account 703, "Sinking funds"; 704, "Capital and other reserve funds"; 721, "Insurance and other funds"; 728, "Securities issued or assumed—Unpledged"; or 729, "Securities issued or assumed—Pledged," as may be appropriate.

The difference between the amount at which such reacquired stock was recorded in account 751, "Capital stock," and the amount paid by the accounting company for such stock, including any premium or discount applicable to such subclass carried in account 753, "Premiums and assessment on capital stock," or in account 754, "Discount on capital stock," and the commissions and expense in connection with its reacquisition shall be included in subaccount 784.1, "Paid-in surplus"; *Provided, however,* That the excess of a debit over the amount of accumulated net gains applicable to such subclass included in paid-in surplus shall be charged to account 621, "Miscellaneous debits."

When reacquired capital stock is resold the difference between the amount at which such stock is included in a particular asset account and the net sale price realized when resold shall be included in subaccount 784.1, "Paid-in surplus"; *Provided, however,* That the excess of a debit over the amount of accumulated net gains applicable to each subclass of capital stock resold included in paid-in surplus shall be charged to account 621, "Miscellaneous debits."

In no case shall discount on capital stock be charged to or included in any account as a part of the cost of acquiring property or as a part of the cost of operation.

§ 10.08–3 *Discount, expense, and premium on funded debt.* Ledger accounts shall be provided to cover the discounts, expense, and premiums at the sale or resale of each subclass of funded debt and of receivers' and trustees' securities issued for the benefit of or assumed by the company. For explanation of "subclass" see account 755. "Funded debt unmatured."

By the term "discount" is meant the excess of the par value of funded debt securities (of whatever kind) issued or assumed, and the accrued interest thereon, over the actual cash value of the consideration received for such securities.

By the term "premium" is meant the excess of the actual cash value of the consideration received for funded debt securities (of whatever kind) issued or assumed over the par value of such securities and the accrued interest thereon.

By the term "expense" is meant all expense in connection with the issue and sale of evidences of debt, such as fees for drafting mortgages and trust deeds; fees for issuing or recording mortgages and trust deeds; cost of engraving and printing bonds, certificates of indebtedness, and other negotiable paper having a life of more than one year; fees paid trustees provided for in mortgages and trust deeds; fees paid for legal services to trustees relative to mortgage securities; fees and commissions paid underwriters and brokers for marketing such evidences of debt; and other like expense except taxes for issuing or recording mortgages and trust deeds and for issuing bonds or other evidences of long term debt which shall be charged to account 532, "Railway tax accruals."

The total of the net debit balances remaining in these several accounts should be included in account 725, "Discount on funded debt," and the total of the net credit balances in account 772, "Premium on funded debt."

Each fiscal period there shall be charged to income account 548, "Amortization of discount on funded debt," a proportion (based upon the ratio of such fiscal period to the remaining life of the respective securities reckoned from the beginning of the period to the date of maturity of the debt to which the charges relate) of each of the debit balances in these accounts, and correspondingly there shall be credited to income account 517, "Release of premiums on funded debt," a similar proportion of each of the credit balances in these accounts. When the total discount and expense applicable to any particular issue of securities does not exceed $25,000, carriers may charge the entire amount to account 548, "Amortization of discount on funded debt," at time of issue.

When any funded debt which has been actually issued to bona fide holders for value is reacquired by the accounting company, that proportion of the balance remaining in the accounts containing discount, expense, and premium on funded debt for the subclass of the security reacquired applicable to the portion reacquired shall be credited or charged thereto, as may be appropriate, and concurrently charged or credited to profit and loss. Such proportion shall be based upon the ratio of the par value of the security reacquired to the par value of all the securities of the subclass actually outstanding immediately before such reacquirement.

In case, however, the premium realized or discount suffered at the prior sale of the securities reacquired has been included (in excess of the amount authorized in the text of road and equipment account 76, "Interest during construction") in an asset account other than the premiums and discounts account, such asset account shall be concurrently adjusted through profit and loss to the extent of such excess of the premium or discount previously included therein with respect to the securities reacquired.

Except as provided for in road and equipment account 76, "Interest during construction," no discount and expense on funded debt shall be charged to or included in any account as a part of the cost of acquiring any property, tangible or intangible, or as a part of the cost of operation.

§ 10.08–4 *Contingent assets and liabilities.* Contingent assets and liabilities shall not be included in the body of the balance-sheet statement, but shall be shown in detail in a supplementary statement accompanying the balance-sheet statement. Contingent assets are those without value to the accounting company until the fulfillment of conditions regarded as uncertain. Contingent liabilities include items which may, under certain conditions, become obligations of the company, but are neither direct nor assumed obligations on the date of the balance sheet.

§ 10.08–5 *Book value of securities owned.* (a) The investment in securities other than those issued or assumed by the accounting company shall be recorded in these accounts at the money value, at the time of acquisition, of the consideration given therefor by the accounting company, but excluding amounts paid for accrued interest and accrued dividends. The accounting company shall write down the ledger value of any securities to the extent of impairment in their value. Fluctuations in market value shall not be recorded however. Securities shall be written down to reflect anticipated loss in value

or written off entirely if there be no reasonable prospect of realizing any value whatever therefrom. Adjustments in the ledger values of securities shall not be delayed beyond the year in which a loss is claimed for income tax purposes. In accordance with paragraph (c) of this section carriers may create reserves from surplus to cover such reductions in value. Under no circumstances shall the investment in the securities be stated in these accounts at an amount in excess of their cost to the accounting company.

(b) The amount of the adjustment shall be charged to account 621, "Miscellaneous debits."

(c) Carriers may create reserves from surplus to provide for depreciation in the value of securities owned and recorded in accounts 706, "Investments in affiliated companies," and 707, "Other investments," by charges to account 621, "Miscellaneous debits." See account 707½, "Reserve for adjustment of investment in securities."

§ 10.08–6 *Income from sinking fund assets.* Accrued interest on uninvested sinking fund cash on deposit in banks or trust companies, and accrued interest and other income arising from stocks, bonds, or other assets held in sinking and reserve funds shall be credited to account 516, "Income from sinking and other reserve funds," and when required by the mortgage or other provision to be held in the funds shall be charged, according to the character of the funds, to account 703, "Sinking funds," or to account 721, "Insurance and other funds," and concurrently, if a reserve is required, an equal amount shall be charged to income account 552, "Income applied to sinking and other reserve funds," and credited to account 785, "Earned surplus—appropriated."

§ 10.08–7 *Current assets.* In the group of accounts designated as current assets (accounts 708 to 719, inclusive) shall be included cash, those assets which are readily convertible into cash or are held for current use in operations, current claims against others and amounts accruing to the carrier which are subject to current settlement. There shall not be included in this group of accounts any item the collection of which is not reasonably assured by the known financial condition of the debtor. Items of current character but of doubtful value previously credited to operating revenue, operating expense or income accounts shall be written down or written off by charging those accounts. If there has been any impairment in value, such items shall be included in account 722, "Other deferred assets," at an amount not in excess of a reasonable estimate of future value. If it is desired to retain a record of assets written off they shall be recorded at a nominal value in account 722, "Other deferred assets."

§ 10.08–8 *Joint liabilities.* The accounting company shall state as a liability in its balance sheet the difference between the total par value of securities jointly or severally issued by it and others and the portion of such liability which, under the joint arrangement, it is expected will be liquidated by the other party or parties to the joint arrangement. The amount of the jointly or severally issued securities it is expected will be liquidated by the other party or parties shall be shown as a contingent liability in accordance with § 10.08–4 *Contingent assets and liabilities.*

§ 10.08–9 *Surplus.* Records shall be maintained in such manner as to show two major divisions of surplus:

1. Unearned surplus.
2. Earned surplus.

Unearned surplus and earned surplus shall be segregated and clearly differentiated, and no transfer shall be made from the former to the latter, either directly by credits to earned surplus representing gains on transactions in the accounting company's own capital stock, or indirectly by charges against unearned surplus to cover losses, write-downs, chargeoffs, or dividend distributions unless specifically allowed and approved by the Commission.

The carrier shall maintain account 784, "Unearned surplus"; account 785, "Earned surplus—appropriated"; and account 786, "Earned surplus—unappropriated." Surplus shall be segregated so far as practicable, into "Unearned surplus," "Earned surplus—appropriated," and "Earned surplus—unappropriated," and any unsegregated balance shall be included in a subaccount under account 786, "Earned surplus—Unappropriated."

GENERAL BALANCE SHEET ACCOUNTS

DEBIT

§ 10.701 *Road and equipment property.* This account, except in connection with the acquisition of transportation property as provided for in accounts 701½A, "Acquisition adjustment" and 702½B, "Donations and grants," shall include the acounting company's investment in road and equipment (including that held under contract for purchase), used or held for use as transportation property in existence at the date of the balance sheet.

When property is retired from service this account shall be credited with the ledger value of the property retired. (See § 10.01–6 *Items to be credited.*)

NOTE A: This account shall not include any items representing titles to securities.

NOTE B: When any equipment is acquired under an agreement which provides that the cost shall be paid in installments, the cost (its money value at time of purchase) shall be charged to the apropriate road and equipment accounts at the time the equipment is delivered to the carrier, and included in this account in the same manner as the cost of equipment purchased outright. When the par value of notes or other securities issued in payment, or in part payment, for such equipment is more (or less) than the actual cash value of the equipment at the time of the purchase, or of the proportion to which the securities are applicable, the difference between the par value of the securities and the actual cash value of the equipment, or of the proportion paid for by the securities, shall be charged (or credited) to the proper discount and premium accounts.

NOTE C: Held for use, as referred to above, implies the ability of the carrier to substantiate by plans or policy its characterization of the probable future use which is to be made of the property within a reasonable period of time.

§ 10.702 *Improvements on leased property.* This account, except in connection with the acquisition of transportation property as provided for in accounts 702½A, "Acquisition adjustment" and 702½B, "Donations and grants," shall include the cost of improvements made by the lessee to property which is held under lease from others or through control of the company owning the property, where such improvements are used by the lessee in transportation service, and the lessee is not to be reimbursed by the lessor for such improvements.

When the cost of improvements made by the lessee is to be refunded by the lessor periodically during the term of the lease agreement or at the termination thereof, and provided further that in the meantime the lessor company does not include the cost of such improvements in account 701, "Road and equipment property," the lessee shall include the cost thereof in this account.

When leased property is retired from service this account shall be credited with the ledger value of any improvements thereto the cost of which has been included in this account, and also with the amount representing the liability of the carrier to the lessor or owner for any property retired that has been used in transportation service and was held under lease or through control of the company owning the property.

The carrier's records shall be kept in such manner as to show the debits and credits to this account in accordance with the provisions for road and equipment.

NOTE A: This account shall not include any items representing titles to securities.

NOTE B: When the lessor company includes in account 701, "Road and equipment property," the cost of improvements made by the lessee to property leased by it from the lessor and settlement is not made at the time for the cost thereof, the lessee, pending settlement with the lessor, shall include the cost thereof in account 706, "Investments in affiliated companies," or 707, "Other investments," as may be appropriate.

§ 10.702½A *Acquisition adjustment.* This account shall be charged with the cost of a railway or portion thereof acquired since January 1, 1938, as an operating entity or system by purchase, merger, consolidation, reorganization, receivership sale or transfer, or otherwise. If the consideration or a part thereof given for the property acquired consists of securities issued by the accounting carrier, the cash value thereof for the purpose of determining the cost to be charged to this account shall be the sum of the par value of securities having par values and the stated or assigned values of no par securities as determined and approved by the Commission. Where the consideration given for the property acquired is other than cash or securities issued by the accounting carrier, such consideration shall be valued on a current cash basis.

The accounting for assets acquired and liabilities assumed shall then be as follows:

(a) Assets acquired, except property includible in accounts 701, "Road and equipment property," or 702, "Improvements on leased property," and liabilities assumed shall be recorded in their appropriate accounts in the manner provided for in classification of general balance sheet accounts.

(b) Property includible in primary road and equipment accounts 1 and 2½ to 58, inclusive, and 72 to 77, inclusive, shall be recorded in those accounts at original cost or estimated original cost as found by the Bureau of Valuation.

(c) In the primary road and equipment account 2, there shall be recorded the original cost of lands owned by predecessor carrier or carriers at basic valuation date as reported under Valuation Order No. 7, dated November 21, 1914, and included in the Commission's basic valuation reports. Any lands so reported without cost except those donated shall be estimated by the accounting company, which will be subject to verification by the Bureau of Valuation. To this shall be added the cost at the time of dedication to public use of any lands acquired since the basic valuation date.

(d) In the primary road and equipment account 71, there shall be recorded the expenditures incident to the organization or reorganization of the accounting company.

(e) The money outlay expended by a predecessor carrier or carriers for additions and betterments to property leased from other companies whose physical properties are not included in the reorganization, shall be transferred to account 702, "Improvements on leased property," in the amounts recorded in that account on the books of the predecessor carrier or carriers.

(f) The amounts thus recorded in primary accounts 1 to 77, inclusive, shall be concurrently charged to balance sheet accounts 701, "Road and equipment property," or 702, "Improvements on leased property," as appropriate.

(g) Balances in accounts 702½C, "Accrued depreciation—Road," 702½D, "Accrued depreciation—Equipment," and 779, "Accrued depreciation—Leased property," carried on the books of the predecessor carrier or carriers as of the date of acquisition or reorganization shall be carried over and recorded in the respective accounts on the books of the accounting company. To the extent that a credit balance is available in this account, the accounting company shall credit account 702½C, "Accrued depreciation—Road," and charge this account with the estimated amount by which the balance in account 702½C, "Accrued depreciation—Road," appears to be deficient with respect to past accrued depreciation on depreciable road property included in account 701, "Road and equipment property."

(h) This account shall concurrently be debited or credited, as appropriate, to offset assets and liability items recorded in accordance with paragraphs (a) to (g), inclusive, of this section.

(i) To the extent that a credit balance is available in this count, if so authorized upon application to the Interstate Commerce Commision, retirement of nondepreciable property in existence at the date of acquisition or reorganization which is not replaced may be charged hereto if the loss is not assignable to operations subsequent to date of acquisition or reorganization. Other charges to this account may be made upon specific approval by the Commission.

NOTE: The accounting company shall be prepared to furnish the Interstate Commerce Commission with a full report of the contract of organization and a statement showing in detail the consideration given for the property acquired. It shall procure in connection with the organization all existing records, memoranda and accounts in possession or control of the grantor relating to construction and improvement of the property acquired and shall preserve such records, memoranda and accounts until authorized by law to destroy or otherwise dispose of them.

Where the records, memoranda and account are so involved with other records, memoranda and accounts of the grantor as to make this transfer impracticable, certified copies shall be procured and retained by the accounting company; the verity of the copies should be certified by the custodian of the originals.

§ 10.702½B *Donations and grants.* This account shall be credited with grants obtained from governmental agencies, and with donations from individuals and others in connection with the construction or acquisition of property the cost of which is chargeable to accounts 701, "Road and equipment property," and 702, "Improvements on leased property." (See "Cost," under paragraph (c) of § 10.01–2 *Items to be charged.*)

§ 10.702½C *Accrued depreciation; road.* (a) This account shall be credited with amounts concurrently charged to operating expenses or other accounts to cover the loss in service value of depreciable road property; also with any balance in account 776, "Accrued depreciation—Road and equipment," as of December 31, 1944, for depreciation of road property. It shall also include amounts which the Commission may authorize the accounting company to credit to account 607, "Miscellaneous credits," or charge to account 621, "Miscellaneous debits," or to account 702½A, "Acquisition adjustment," in respect to past accruals of depreciation.

(b) At the time of the retirement of each unit of depreciable road property, this account shall be charged with the entire service value of the unit retired or minor item retired and not replaced.

(c) For balance sheet purposes, this account shall be treated as a single composite reserve for road property. However, for purposes of analysis, the accounting company shall maintain subsidiary records in which this reserve is broken down into components corresponding to the primary accounts for depreciable road property. These subsidiary records shall show the current debits and credits to this reserve by primary accounts. (See § 10.04–8 *Depreciation accounting; road property.*)

§ 10.702½D *Accrued depreciation; equipment.* (a) This account shall be credited with amounts concurrently charged to operating expenses or other accounts to cover the loss in service value of equipment; also with any balance in account 776, "Accrued depreciation—Road and equipment," as of December 31, 1944, for depreciation of equipment. It shall also include amounts which the Commission may authorize the accounting company to credit to account 607, "Miscellaneous credits," or charge to account 621, "Miscellaneous debits," or to account 702½A, "Acquisition adjustment," in respect to past accruals of depreciation.

(b) At the time of the retirement of each unit of equipment this account shall be charged with the entire service value of the unit retired or minor item retired and not replaced.

(c) For balance sheet purposes, this account shall be treated as a single composite reserve for equipment. However, for purposes of analysis, the accounting company shall maintain subsidiary records in which this reserve is broken down into components corresponding to the primary accounts for equipment. These subsidiary records shall show the current debits and credits to this reserve by primary accounts. (See § 10.04–24 *Depreciation accounting; equipment.*)

§ 10.702½E *Accrued amortization of defense projects; road.* This account shall be credited with amounts charged to account 270½, "Road—Amortization of defense projects," to cover the amortization of road property, the cost of which is included in account 701, "Road and equipment property," or account 702, "Improvements on leased property." (See also Note B to account 270½.) This account shall be charged with the credit balance herein applicable to specific road property at the time the property is retired.

§ 10.702½F *Accrued amortization of defense projects; equipment.* This account shall be credited with amounts charged to account 331½, "Equipment—Amortization of defense projects," to cover the amortization of equipment, the cost of which is included in account 701, "Road and equipment property," or account 702, "Improvements on leased property." (See also Note B to account 331½.) This account shall be charged with the credit balance herein applicable to specific equipment at the time the equipment is retired.

§ 10.703 *Sinking funds.* This account shall include the amount of cash, the ledger value of live securities of other companies, and other assets which are held by trustees of sinking and other funds for the purpose of redeeming outstanding obligations, including such assets so held in the hands of the accounting company's treasurer when the assets are segregated in a distinct fund; also amounts deposited with such trustees on account of mortgaged property sold the proceeds of which are to be held for the redemption of securities, and the par value or with respect to no par stock, the amounts recorded in account 751, "Capital stock," relating thereto, of live securities issued or assumed by the accounting company and held in such funds. A separate account shall be kept for each fund. The title of each such

account shall designate the obligation in support of which the fund is created.

NOTE: In stating the balance sheet in the annual reports to the Commission the total amount of the funds and the par value or with respect to no par stock, the amounts recorded in account 751, "Capital stock," relating thereto, of securities issued or assumed by the accounting company and held in the funds shall be shown in the short columns, and the net amount of the funds (total amount less securities issued or assumed) shall be shown in the long column.

§ 10.704 *Capital and other reserve funds.* This account shall include the amounts of cash and the ledger value of other assets segregated for capital purposes other than sinking funds. A separate account shall be kept for each fund.

(a) The account shall be charged with:

(1) Funds that have been realized from the sale of equipment obligations and other long-term obligations and that have not been applied toward the specific purposes for which the obligations were incurred;

(2) Funds deposited with trustees to be held until mortgaged property sold is replaced;

(3) The ledger value of assets held by trustees, or by the accounting company's treasurer when segregated in a distinct fund or funds, which have been set aside in accordance with governmental, mortgage, or contractual requirements in connection with reorganizations or otherwise.

(b) The account shall be credited with:

(1) Direct expenditures from the funds;

(2) Amounts transferred to sinking funds;

(3) The ledger value of assets of the character indicated in paragraph (a) (3) of this section, by transfer to the appropriate current asset account, when the assets are definitely assigned in advance of expenditure to the payment of interest or other recorded current liabilities.

NOTE: An appropriate record shall be maintained with respect to securities issued or assumed by the accounting company and held in the funds, identifying those that are nominally issued or nominally outstanding.

NOTE B: Funds specifically set aside for sinking fund purposes shall be included in account 703, "Sinking funds." If one purpose of a capital fund is to provide contributions to a sinking fund under specified conditions, the entire amount of the fund shall be included in this account until the contributions to the sinking fund are made, at which time the amounts thereof shall be transferred to account 703, "Sinking funds."

§ 10.704½ *Maintenance funds.* This account shall be charged with the amounts of cash on special deposit and the cost of United States Treasury securities that have been set aside to be held by the accounting company's treasurer until disbursed in settlement of charges incurred for deferred maintenance of way and structures and equipment due to priorities of material and supplies or shortage of labor, also charges incurred for major repairs to equipment that are usually made at intervals of several years.

It shall be credited with withdrawals therefrom as disbursements are made for the purposes for which the funds were set aside.

§ 10.705 *Miscellaneous physical property.* This account shall include the accounting company's investment in physical property other than property assignable to accounts 701 and 702, including hotels, restaurants, power plants, etc., which are not operated by the accounting company or another carrier in connection with its transportation service.

ITEMS OF INVESTMENT

Coal and other mines.
Commercial power plants.
Hotels and restaurants.
Lands and buildings not used in transportation operations.
Lands and other property acquired and held in anticipation of future use.
Mineral and timber lands.
Rails and other track material leased to others.
Saw mills and other manufacturing plants not operated in connection with transportation service.

§ 10.705½ *Accrued depreciation; miscellaneous physical property.* This account shall be credited with amounts charged to income or other accounts to cover the depreciation of property the cost of which is included in account 705, "Miscellaneous physical property."

When any miscellaneous physical property is destroyed, sold, or otherwise retired from service, the amount included in this account with respect to the property retired shall be charged hereto.

§ 10.706 *Investments in affiliated companies.* This account shall include the ledger value of the accounting company's investment in securities issued or assumed by affiliated companies other than securities held in special deposits or special funds, and also investment advances made to affiliated companies. (See § 10.08–5 *Book value of securities owned.*)

This account shall be maintained in such manner as to show each of the following classes of investment in each affiliated company:

(a) Stocks.
(b) Bonds.
(c) Other secured obligations.
(d) Unsecured notes.
(e) Investment advances.

A complete record of securities pledged shall be maintained so that the ledger value of securities pledged and unpledged may be shown separately in the annual report to the Commission.

NOTE A: Accounts with affiliated companies which are subject to current settlement, if their collection is reasonably assured, shall be classed as current assets, but if settlement is deferred beyond one year such items shall be transferred to account 722, "Other deferred assets."

NOTE B: The term "affiliated companies" includes:

1. Controlled companies, including companies solely controlled by the accounting company, and also companies jointly controlled by the accounting company and others under a joint arrangement.

2. Controlling companies, including both companies solely controlling the accounting company, and companies which jointly control the accounting company under a joint arrangement.

3. Companies controlled by controlled companies.

4. Companies controlled by controlling companies.

By "control" is meant the ability to determine the action of a corporation. For the purposes of this account, the following are to be considered forms of control:

(a) Right through title to securities issued or assumed to exercise the major part of the voting power in the controlled corporation.

(b) Right through agreement of some character or through some source other than title to securities, to name the majority of the board of directors, managers, or trustees of the controlled corporation.

(c) Right to foreclose a first lien upon all or a major part in value of the tangible property of the controlled corporation.

(d) Right to secure control in consequence of advances made for construction of the operating property of the controlled corporation.

(e) Right to control only in a specific respect the action of the controlled corporation.

A leasehold interest in the property of a corporation is not to be classed as a form of control over the lessor corporation.

"Sole control" is that which rests in one corporation.

"Joint control" is that which rests in two or more corporations and which is held under a joint arrangement.

NOTE C: The value of securities borrowed by the accounting company and pledged shall not be included in this account.

NOTE D: The value of securities pledged for purposes other than that of security for funded debt or short-term loans shall be included in accounts 703, "Sinking funds," 704, "Capital and other reserve funds," or 721, "Insurance and other funds," as may be appropriate.

§ 10.707 *Other investments.* This account shall include the ledger value of the accounting company's investment in securities issued or assumed by nonaffiliated companies other than securities held in special deposits or special funds; also investment advances made to nonaffiliated companies and to individuals. (See § 10.08–5 *Book value of securities owned.*)

This account shall be maintained in such manner as to show each of the following classes of investment in each nonaffiliated company:

(a) Stocks.
(b) Bonds.
(c) Other secured obligations.
(d) Unsecured notes.
(e) Investment advances.

A complete record of securities pledged shall be maintained so that the ledger value of securities pledged and unpledged may be shown separately in the annual report to the Commission.

NOTE A: Accounts with nonaffiliated companies which are subject to current settlement, if their collection is reasonably assured, shall be classed as current assets, but if settlement is deferred beyond one year such items shall be transferred to account 722, "Other deferred assets."

NOTE B: The term "nonaffiliated companies" includes all companies other than those defined as affiliated in NOTE B of account 706, "Investments in affiliated companies."

NOTE C: The value of securities borrowed by the accounting company and pledged shall not be included in this account.

NOTE D: The value of securities pledged for purposes other than that of security for funded debt or short-term loans shall be included in accounts 703, "Sinking funds," 704, "Capital and other reserve funds," or 721, "Insurance and other funds," as may be appropriate.

§ 10.707½ *Reserve for adjustment of investment in securities.* This account shall include the total of the balances in such reserves as are maintained by the accounting company for the purpose of providing for reductions in the value of securities owned and recorded in accounts 706, "Investments in affiliated companies," or 707, "Other investments." Corresponding charges shall be made to account 621, "Miscellaneous debits." (See paragraph (c) of § 10.08–5 *Book value of securities owned.*)

If reserves are maintained in provision for anticipated losses in specific securities, when the related assets are written down or written off, or are sold or otherwise disposed of at a loss, the reduction in the book value or the losses sustained shall be charged to this account to the extent of the credit balance in the account applicable to the particular securities involved, and the remainder, if any, shall be charged to account 621, "Miscellaneous debits." In case a general reserve for losses in unspecified security values is maintained, all such losses resulting from write-downs, write-offs, etc., shall be charged to this account to the extent of the total credit balance in the account, and the remainder, if any, shall be charged to account 621, "Miscellaneous debits."

§ 10.708 *Cash.* This account shall include money, checks, sight drafts, and sight bills of exchange in the hands of the accounting company's financial officers and agents, or in transit from its agents and conductors for which such agents and conductors have received credit. It shall include also, deposits with banks and trust companies available for use on demand, and savings accounts subject to the usual clause reserving the right to defer payment for a specified number of days. (See § 10.08–7 *Current assets.*)

§ 10.709 *Temporary cash investments.* This account shall include the cost of securities and other collectible obligations acquired for the purpose of temporarily investing cash, such as United States Treasury certificates, marketable securities, time drafts receivable, demand loans, time loans, time deposits with banks and trust companies, and other similar investments of a temporary character.

§ 10.711 *Special deposits.* This account shall include the unexpended balances in funds deposited specifically for the payment of dividends, interest, or other recorded current liabilities. (See § 10.08–7 *Current assets.*)

§ 10.712 *Loans and bills receivable.* This account shall include the book value of all collectible obligations in the form of demand or time loans and bills receivable, or other similar evidences (except interest coupons) of money receivable within a time not exceeding one year from date of issue. (See § 10.08–7 *Current assets.*)

NOTE A: Obligations held as investments which mature more than one year after date of issue shall be included in accounts 706, "Investments in affiliated companies"; or 707, 'Other investments," as may be appropriate.

NOTE B: Loans and bills receivable acquired for the purpose of temporarily investing cash shall be included in account 709, "Temporary cash investments."

§ 10.713 *Traffic and car-service balances—Dr.* This account shall include the net of the balances receivable from or payable to other companies in the accounts representing interline freight, passenger, and baggage revenues, and charges for equipment interchanged on a per diem or a mileage basis, when such balances result in a net debit.

NOTE A: When the net of the balances is a credit it shall be included in account 759, "Traffic and car-service balances—Cr."

NOTE B: The amount to be entered in this account in the carrier's annual report to the Commission shall be stated in accordance with the text of this account. For convenience in accounting the carrier may maintain currently separate subaccounts under the following captions:

713 and 759 (a) Interline freight, balance.
713 and 759 (b) Interline passenger, balance.
713 and 759 (c) Interline baggage, balance.
713 and 759 (d) Equipment interchanged, balance.

§ 10.714 *Net balance receivable from agents and conductors.* This account shall include the net balance due in current accounts from agents, from train, sleeping car, and dining car conductors, and from train collectors, train auditors, porters, and other employees and representatives charged with the collection or custody of current revenues. (See § 10.08–7 *Current assets.*)

NOTE: Amounts advanced to general and special agents as working funds shall not be included in this account, but in account 720, "Working fund advances."

§ 10.715 *Miscellaneous accounts receivable.* This account shall include amounts due in audited accounts considered good, such as those due from the United States or other Governments for the transportation of mails and Government property, and from express companies for express facilities furnished under contract; amounts due from other carriers on account of freight claims paid; miscellaneous bills against other railway companies, corporations, firms, and individuals, and other similar items. (See § 10.08–7 *Current assets.*)

NOTE: The amount to be entered in this account is not the net balance between this account and account 761, "Miscellaneous accounts payable."

§ 10.716 *Material and supplies.* This account shall include the balances representing the cost, less depreciation, if any, of all unapplied material, such as road and shop material, articles in process of manufacture by the accounting company, fuel, stationery, and dining car and other supplies. In determining the cost of material and supplies suitable allowance shall be made for any discounts allowed in the purchase thereof.

NOTE A: Balances representing the cost of unapplied construction material and supplies located at the point of use, which have been purchased for projected new roads and extensions, are provided for in road and equipment account 47, "Unapplied construction material and supplies."

NOTE B: An inventory of material and supplies shall be taken during each calendar year and the necessary adjustments to bring this account into harmony with the actual inventory balances shall be made in the accounts of the year in which the inventories are taken. In effecting this adjustment determined differences in accounting for important classes of material shall be equitably assigned among the accounts to which the classes of material are ordinarily chargeable. Other differences shall be equitably apportioned among the primary accounts to which material has been charged since the last inventory.

§ 10.717 *Interest and dividends receivable.* This account shall include the amount of interest accrued to the date of the balance sheet on bonds owned and on loans made, the amount of dividends declared on stocks owned, and dividends accrued on such stocks when contracts require that the dividends be paid at stated times. (See § 10.08–7 *Current assets.*)

NOTE A: No amount representing interest or dividends receivable shall be included in this account unless its payment is reasonably assured by past experience, anticipated provision, or otherwise.

NOTE B: No dividends or other returns on securities issued or assumed by the accounting company shall be included in this account.

NOTE C: If settlement of amounts included in this account is not made when due either in cash or with other tangible assets of equal money value, such amounts shall be cleared from this account and charged to the income account originally credited (subject to § 10.06–2 *Delayed items*). If notes are taken in settlements of amounts included in this account, the amounts thereof shall be charged to account 712, "Loans and bills receivable," or account 722, "Other deferred assets," as may be appropriate (see § 10.08–7 *Current assets,*) but such amounts shall not be credited to income (or if previously credited to income shall be cleared therefrom as provided in the first sentence of this note), unless inclusion therein is justified by the current asset position of the obligor. If such notes are of doubtful value, the amount at which they are charged to account 722, "Other deferred assets," in accordance with § 10.08–7 *Current assets,* shall be credited to account 778, "Other unadjusted credits," and income shall not be credited until payment is received, and then only with the amount collected. If long-term notes are taken in settlement of current assets, the credit to income shall be canceled and account 722, "Other deferred assets," shall be charged with their true values, and a like sum shall be credited to account 778, "Other unadjusted credits."

§ 10.718 *Accrued accounts receivable.* This account shall include estimates of all unaudited current items receivable by the carrier to the date of the balance sheet which are creditable to revenue, expense, or income accounts in accordance with § 10.02–2 *Unaudited items affecting operating accounts,* and § 10.06–3 *Unaudited items.* (See also § 10.08–7 *Current assets.*)

Examples, without limitation, of items to be accrued:

Rents receivable under leases which are not includible in account 715, "Miscellaneous accounts receivable." (See note C to account 717, "Interest and dividends receivable.")

Amounts receivable from others for unreported interline traffic.

Amounts receivable from others for use of facilities, including equipment, for which bills have not been rendered.

Amounts receivable from others for services for which bills have not been rendered.

§ 10.719 *Other current assets.* This account shall include items of current assets not covered by accounts 708 to 718, inclusive.

It shall include asset items not includible in any of the foregoing current asset accounts that have been advanced beyond the stage of deferred assets. (See § 10.08–7 *Current assets.*)

§ 10.720 *Working fund advances.* This account shall include amounts advanced to general and special agents, and to other officers and employees, as working funds from which certain expenditures are to be made and accounted for. It also includes advances to fast freight lines and to demurrage and other bureaus.

§ 10.721 *Insurance and other funds.* This account shall include the amount of cash and the ledger value of securities of other companies and other assets which are in the hands of trustees or managers of insurance, employees' pension, savings, relief, hospital, and other funds which have been raised and specifically set aside or invested for specific purposes not provided for elsewhere; also the par value or with respect to no par stock, the amounts recorded in account 751, "Capital stock," relating thereto, of securities issued or assumed by the accounting company and held in such funds. A separate account shall be kept for each fund.

NOTE A: Sinking funds and capital and other reserve funds are provided for in accounts 703 and 704, respectively.

NOTE B: In stating the balance sheet in the annual reports to the Commission the total amount of the funds and the par value or with respect to no par stock, the amounts recorded in account 751, "Capital stock," relating thereto, of securities issued or assumed by the accounting company and held in the funds shall be shown in the short columns, and the net amount of the funds (total amount less securities issued or assumed) shall be shown in the long column.

NOTE C: This account shall not include funds held by the accounting company solely as trustee and in which it has no beneficial interest.

§ 10.722 *Other deferred assets.* This account shall include the estimated value of salvage recoverable from property retired when the recovery of the salvage is deferred for any reason; items of a current character but of doubtful value; and all other deferred items not covered by accounts 720 or 721. (See § 10.08–7 *Current assets.*)

§ 10.723 *Prepayments.* This account shall include the balances in the accounts representing prepaid rents chargeable to the appropriate rent accounts as the term is consumed for which the rents are paid; also interest and insurance premiums paid in advance of their accrual, which are to be apportioned and charged as they accrue, to the appropriate accounts.

§ 10.725 *Discount on funded debt.* This account shall include the total of the net debit balances in the discount, expense, and premium accounts for the several subclasses of funded debt. (See § 10.08–3 *Discount, expense, and premium on funded debt.*)

§ 10.726 *Property retired chargeable to operating expenses.* This account is intended as a suspense account in which may be included amounts chargeable to operating expenses as follows:

(a) Amounts representing the service value of nondepreciable road property retired which are relatively so large that their inclusion in the accounts for a single year would distort those accounts. (See § 10.04–6 *Distribution of charges for nondepreciable road property retired.*)

(b) Amounts representing the service value of depreciable road property retired which are relatively so large that their inclusion in the depreciation reserve would result in unduly depleting the reserve. (See paragraph (k) of § 10.04–8 *Depreciation accounting; road property.*)

(c) Amounts representing the service value of equipment retired which are relatively so large that their inclusion in the depreciation reserve would result in unduly depleting the reserve. (See paragraph (f) of § 10.04–24 *Depreciation accounting; equipment.*)

(d) This account is to be used only after permission of the Commission has been asked and given. The carrier in its application to the Commission shall give full particulars concerning the property retired, the amount which it is proposed to charge to operating expenses, and the period over which, in its judgment, the amount of such charge shall be distributed.

§ 10.727 *Other unadjusted debits.* This account shall include the amount of debit balances in suspense accounts that cannot be cleared and disposed of until additional information is received, such as freight claims paid when found to be correct, but in advance of investigation with other carriers; debit balances in clearing accounts, such as "Shop expenses," "Store expenses," "Operations of gravel pits," and "Operation of quarries"; unextinguished discount on short-term notes; unadjusted debit items not otherwise provided for and similar items the proper disposition of which is uncertain.

§ 10.728 *Securities issued or assumed; unpledged.* This account shall include the par value, or with respect to no par stock, the amounts recorded in account 751, "Capital stock," relating thereto, of securities issued or assumed by the accounting company that are held unpledged in the company's treasury or by its agents or trustees, except those held by trustees of sinking or other similar funds.

This account shall be divided into:

(a) Stocks, and

(b Bonds and other evidences of long-term debt, each of which divisions shall be further subdivided between:

(1) Amounts nominally but not actually issued, and

(2) Amount nominally outstanding.

NOTE A: The term "securities," as used in this account, includes all authorized certificates of stock and evidences of indebtedness which have been signed, sealed, and, when required, certified by the registrar or by the trustees under the mortgage or contract, and are not "short-term securities." By short-term securities are meant those which are payable on demand or which mature not more than one year from date of issue. (See also Notes B to accounts 751 and 755.)

NOTE B: This account shall not include securities that are merely guaranteed.

NOTE C: This account shall not include any securities held in sinking and other reserve funds.

NOTE D: In the general balance-sheet statement the balance in this account shall be stated in the short column only.

NOTE E: When securities that have been issued to bona fide holders for value, or after issuance by another company have been assumed by the accounting company, are reacquired and not canceled or retired, they shall be included in this account at their par value; or with respect to no par stock the amounts recorded in account 751, "Capital stock," relating thereto. If such securities are subsequently pledged, they shall be included in account 729, "Securities issued or assumed—Pledged." (See § 10.08–2 *Discount, premium, and assessment on capital stock,* and § 10.08–3 *Discount, expense, and premium on funded debt.*)

NOTE F: Stocks having no par value classable as nominally issued shall be recorded by number of shares. (See Note C under account 751, "Capital stock.")

§ 10.729 *Securities issued or assumed; pledged.* This account shall include the par value, or with respect to no par stock, the amounts recorded in account 751, "Capital stock," relating thereto, of securities issued or assumed by the accounting company that have been pledged as collateral security for any of its long-term debt or short-term loans.

This account shall be divided into:

(a) Stocks, and

(b) Bonds and other evidences of long-term debt, each of which divisions shall be further subdivided between:

(1) Amounts nominally but not actually issued, and

(2) Amounts nominally outstanding.

NOTE A: The term "securities" as used in this account includes all authorized certificates of stock and evidences of indebtedness which have been signed, sealed, and, when required, certified by the registrar or by the trustees under the mortgage or contract, and are not short-term securities. By "short-term securities" are meant those which are payable on demand or which mature not more than one year from date of issue. (See also Notes B to accounts 751 and 755.)

NOTE B: This account shall not include securities that are merely guaranteed.

NOTE C: This account shall not include securities which have been borrowed by the accounting company and pledged, nor any securities held in sinking and other reserve funds.

NOTE D: In the general balance-sheet statement the balance in this account shall be stated in the short column only.

NOTE E: The par value or with respect to no par stock, the amounts recorded in account 751, "Capital stock," relating thereto, of securities issued or assumed that have been pledged for other purposes shall be included as may be appropriate in accounts 703, "Sinking funds," 704, "Capital and other reserve funds," or 721, "Insurance and other funds."

NOTE G: Stocks having no par value classable as nominally issuer shall be recorded by number of shares. (See Note C under account 751, "Capital stock.")

CREDIT

§ 10.751 *Capital stock.* This account shall include the total par value of par value stock, and the total amount paid in or the amount approved by the Commission for stock without par value, for all shares of capital stock or other form of proprietary interest in the accounting company which have been issued to bona

fide purchasers and have not been reacquired and canceled, also shares of stock nominally issued, and reacquired shares which have not been canceled.

Appropriations of surplus which have been transferred to no par stock account shall also be included. The amount of the consideration received from the sale of par value stock in excess of the amount credited to this account shell be credited to account 753, "Premiums and assessments on capital stock."

When capital stock is retired or canceled, this account shall be charged with the amount at which such stock is carried in this account. In the case of no par stock the amount to be charged hereto shall be the proportion, applicable to the reacquired shares immediately prior to reacquisition, of the total book liability included herein of actually outstanding shares of the particular class and series of stock of which the reacquired shares are a part.

The amounts included in this account shall be recorded so as to show:

(a) Par value of shares of par value stock and amount paid in or approved by the Commission of shares of no par stock (pledged or unpledged) held in the company's treasury, by its agents or trustees, or otherwise subject to its control including shares nominally but never actually issued and

(b) Par value of shares of par value stock and amount paid in or approved by the Commission of shares of no par stock issued and actually outstanding, being the share not held by the company, its agents or trustees, or subject to its control.

The amounts included herein shall be further divided so as to show the amount of each class of stock issued, separated as between par value and nonpar value stock, as follows:

(1) *Common stock.* Stocks which have no preference over other issues of stock in distribution of dividends or of assets.

(2) *Preferred stock.* Stocks having preference over other issues of stock in distribution of dividends or of assets.

(3) *Debenture stock.* Stocks issued under a contract to pay a specified return at specified intervals.

(4) *Receipts outstanding for installments paid.* Receipts for payments on account of subscriptions to capital stock.

When the subscriber has paid his subscription in full and is entitled to receive certificates representing the shares for which he has subscribed, the par value of stocks having par value or the agreed purchase price or the price authorized by the Commission of stock without par value shall be included in the division appropriate for the class for which the certificates are issued.

Each of the above classes shall also be divided into subclasses according to differences in dividend or interest rights, voting rights, or conditions under which the securities may be retired.

NOTE A: When a general levy or assessment is made against the holders of capital stock, requiring the payment of any sum in addition to the consideration agreed upon at the time of sale, the amount collected upon such levy or assessment shall be credited to account 753, "Premiums and assessments on capital stock."

NOTE B: When capital stock having par value is exchanged for capital stock without par value any sums resting in account 753, "Premiums and assessments on capital stock," with respect thereto shall be cleared to account 751, "Capital stock," and any amounts resting in the discount account with respect thereto shall be cleared to subaccount 784.1, "Paid-in surplus"; *Provided, however,* That any excess over the amount of accumulated net gains applicable to the subclass exchanged included in paid-in surplus shall be charged to account 621, "Miscellaneous debits." (See § 10.08–2 *Discount, premium, and assessment on capital stock.*)

NOTE C: An appropriate record shall be maintained with respect to shares of capital stock showing the number of shares nominally issued, nominally outstanding, actually issued and actually outstanding.

NOTE D: For the purpose of the balance-sheet statement capital stock is considered to be "nominally issued" when certificates are signed and sealed and placed with the proper officer for sale and delivery, or pledged, or otherwise placed in some special fund of the accounting company. It is considered to be "actually issued" when it has been sold to a bona fide purchaser for a valuable consideration, and such purchaser holds it free from all control by the accounting company. All capital stock actually issued and not reacquired and held by or for the accounting company is considered to be "actually outstanding." If reacquired by or for the accounting company under such circumstances as required it to be considered as held alive and not canceled or retired, it is considered to be "nominally outstanding."

§ 10.752 *Stock liability for conversion.* This account shall include the company's liability under agreements to exchange its capital stock for the outstanding securities of companies whose physical property has been acquired under such agreements, but whose securities have not yet been surrendered for exchange.

§ 10.753 *Premiums and assessments on capital stock.* This account shall include the excess of the actual cash value (at the time of the sale of the stock) of the consideration received over the amounts recorded in account 751, "Capital stock," for par value stock plus accrued dividends, if any, also subsequent assessments against stockholders representing payments required in excess of par or other amounts recorded in account 751, "Capital stock," in accordance with the text of that account. (See § 10.08–2 *Discount, premium, and assessment on capital stock.*)

When capital stock is retired and canceled, the amount in this account with respect to the shares of such stock retired and canceled shall be charged hereto.

§ 10.754 *Discount on capital stock.* This account shall include discount suffered in the issuance and sale of capital stock. Record supporting the entries to this account shall be kept to show the discount suffered, if any, on such subclass of capital stock. (See § 10.08–2 *Discount, premium, and assessment on capital stock.*)

§ 10.755 *Funded debt unmatured.* There shall be included in this account the total par value of unmatured debt (other than equipment obligations), maturing more than one year from date of issue, issued by the accounting company and not retired or canceled, and the total par value of similar unmatured debt of other companies, the payment of which has been assumed by the accounting company.

The amounts included in this account shall be divided so as to show the par value of (1) certificates or other evidences of funded debt (pledged and unpledged) held in the company's treasury, by its agents or trustees, or otherwise subject to its control, including both those reacquired after actual issue and those nominally but never actually issued; and (2) certificates or other evidences of funded debt issued and actually outstanding, being those not held by the company, its agents or trustees, or subject to its control.

The amounts included herein shall be further divided so as to show the amount of each class of funded debt, as follows:

(a) *Mortgage bonds.* Bonds secured by lien on physical property and not includible in the other subdivisions of this account.

(b) *Collateral trust bonds.* Bonds and notes secured by a lien on securities or other negotiable paper; and stock trust certificates that are similar in character to collateral trust bonds.

(c) *Income bonds.* Bonds which are a lien on a carrier's revenue alone, or bonds which, while being a lien on its property and franchises, can claim payment of interest only in case interest is earned.

(d) *Miscellaneous obligations.* All funded obligations not provided for by the other subdivisions of this account, also notes, unsecured certificates of indebtedness, debenture bonds, plain bonds, real estate mortgages executed or assumed and other similar obligations maturing more than one year from date of issue, but excluding liabilities for assessments for public improvements and those evidenced by conditional or deferred equipment purchase contracts for which provision is made in account 770, "Other deferred liabilities," and account 756½, "Equipment obligations," respectively.

(e) *Receipts outstanding for funded debt.* Receipts for payments on account of funded debt. When certificates are issued for amounts so paid, the par value shall be included in the account covering the class of funded debt for which the certificates are issued.

Each of the above classes shall also be divided into subclasses according to differences in mortgage or other lien or security therefor, rate of interest, interest dates, or date of maturity. Parts of any issue agreeing in other characteristics but maturing serially may be treated as of the same subclass.

Records shall be maintained in such manner as to show (1) securities the issuance or assumption of which has been authorized by the Commission under section 20a of the Interstate Commerce Act, and similar securities issued or assumed prior to the effective date of that provision of the act, and (2) other obligations of a kind which may legally be issued or assumed without such authorization.

NOTE A: Securities (other than equipment obligations) maturing one year or less from date of issue shall be included in accounts 757, "Amounts payable to affiliated companies," or 758, "Loans and bills payable."

except that where an issue of securities maturing serially over a period of years contains short-term obligations such obligations may be included as funded debt. Matured funded debt shall be included in account 768, "Other current liabilities" if provision has been made for current settlement. If no provision has been made for current settlement, matured funded debt shall be included in account 755½, "Debt in default" except that when the collection of matured funded debt of affiliated companies is not enforced by controlling companies, the principal amount (to the extent held by a controlling company) shall be included in account 757, "Amounts payable to affiliated companies."

NOTE B: For the purposes of the balance-sheet statement funded debt securities are considered to be "nominally issued" when certified by trustees and placed with the proper officer for sale and delivery, or pledged, or otherwise placed in some special fund of the accounting company. They are considered to be "actually issued" when they have been sold to a bona fide purchaser for a valuable consideration, and such purchaser holds them free from all control by the accounting company. All funded debt securities actually issued and not reacquired and held by or for the accounting company are considered to be "actually outstanding." If reacquired by or for the accounting company under such circumstances as require them to be considered as held alive and not canceled or retired, they are considered to be "nominally outstanding."

NOTE C: Nonnegotiable notes having a maturity of more than one year after date of issue, held by affiliated companies, shall be included in account 757, "Amounts payable to affiliated companies."

NOTE D: In the general balance-sheet statement the total unmatured funded debt included in the account shall be shown in the first short column. The amount nominally but not actually issued and the amount nominally outstanding shall be shown in the second short column, and in the long column shall be shown the amount actually outstanding.

§ 10.755½ *Debt in default.* This account shall include amounts transferred from other accounts representing matured funded securities or obligations, receivers' and trustees' securities, equipment obligations and short-term notes, when maturity dates of such obligations have not been extended.

NOTE A: The principal amount of matured funded debt of affiliated companies the collection of which is not enforced by the controlling company shall (to the extent of the principal amount held by the controlling company) be included in account 757, "Amounts payable to affiliated companies."

NOTE B: The principal amount of unpresented funded debt obligations which have matured, and for which provision has been made for payment shall be included in account 768, "Other current liabilities."

§ 10.756 *Receivers' and trustees' securities.* When receivers or trustees acting under the orders of a court are in possession of the property of the company, and under the order of such court issue or assume evidences of indebtedness (other than equipment securities or obligations) the par value of such evidences shall be credited to this account.

NOTE: The par value of equipment securities or the principal amount of obligations incurred for the purchase of equipment under conditional or deferred payment contracts shall be included in account 756½, "Equipment obligations."

§ 10.756½ *Equipment obligations.* This account shall include the par value of equipment securities and the principal amount of contractual obligations including those maturing serially or payable in installments over a period of more than one year.

The amounts included herein shall be divided as follows:

(a) Principal amount of equipment securities including those maturing serially, issued or assumed by the accounting company or by receivers and trustees, which have been authorized by the Commission under section 20a of the Interstate Commerce Act and similar securities issued or assumed prior to the effective date of that provision of the act.

(b) Principal sums of obligations for equipment purchased under conditional or deferred payment contracts, which may be legally entered into or assumed by the accounting company or by receivers and trustees, without authorization by the Commission.

NOTE: Amounts included in this account which are payable within one year from the date of the balance sheet shall be shown in a footnote thereto.

§ 10.757 *Amounts payable to affiliated companies.* This account shall include the par value of nonnegotiable notes issued to affiliated companies, matured funded debt of affiliated companies held by controlling companies where there is no agreement for an extension as to time of payment and collection of the principal is not enforced, credit balances in open accounts with such companies other than credit balances in current accounts classable as current liabilities, and interest accrued on notes, matured funded debt of affiliated companies and open accounts included in this account, when such interest is not subject to current settlements.

This account shall be divided:

(a) Notes, including herein not only nonnegotiable notes that run longer than a term of one year, but also such notes payable on demand or within one year from the date of issue when it is mutually agreed that the notes shall not be enforced as current assets by the holder.

(b) Par value of mature funded debt of affiliated companies held by controlling companies where there is no agreement for an extension of time and collection is not enforced.

(c) Open accounts not subject to current settlement.

(d) Interest accrued on amounts included in this account when not subject to current settlements.

NOTE A: Accounts with affiliated companies which are subject to current settlements, such as traffic and car-service balances, charges for material and supplies currently furnished, charges for repairs to equipment, etc., shall be classed as current assets or current liabilities, as may be appropriate.

NOTE B: No item shall be included in this account which is not known to be the property of an affiliated company.

NOTE C: The term affiliated companies includes:

1. Controlled companies, including companies solely controlled by the accounting company, and also companies jointed controlled by the accounting company and others under a joint arrangement.

2. Controlling companies, including both companies solely controlling the accounting company, and companies which jointly control the accounting company under a joint arrangement.

3. Companies controlled by controlled companies.

4. Companies controlled by controlling companies.

By "control" is meant the ability to determine the action of a corporation. For the purposes of this account, the following are to be considered forms of control:

(a) Right through title to securities issued or assumed to exercise the major part of the voting power in the controlled corporation.

(b) Right through agreement of some character or through some source other than title to securities, to name the majority of the board of directors, managers, or trustees of the controlled corporation.

(c) Right to foreclose a first lien upon all or a major part in value of the tangible property of the controlled corporation.

(d) Right to secure control in consequence of advances made for construction of the operating property of the controlled corporation.

(e) Right to control only in a specific respect the action of the controlled corporation.

A leasehold interest in the property of a corporation is not to be classed as a form of control over the lessor corporation.

"Sole control" is that which rests in one corporation.

"Joint control" is that which rests in two or more corporations and which is held under a joint arrangement.

§ 10.758 *Loans and bills payable.* This account shall include the balances representing obligations outstanding in the form of loans and bills payable or other similar evidences (except interest coupons) of indebtedness payable on demand or within a time not exceeding one year from date of issue.

This account shall be kept in such form so as to show separately the amounts of notes payable within one year from date of issue that are secured by collateral.

NOTE. This account shall not include obligations which mature more than one year after date of issue, or demand or short-term notes issued to affiliated companies and includible in account 757, "Amounts payable to affiliated companies."

§ 10.759 *Traffic and car-service balances—Cr.* This account shall include the net of the balances receivable from or payable to other companies in the accounts representing interline freight, passenger, and baggage revenues, and charges for equipment interchanged on a per diem or a mileage basis, when such balances result in a net credit.

NOTE A: When the net of the balances is a debit it shall be included in account 713, "Traffic and car-service balances—Dr."

NOTE B: The amount to be entered in this account in the carrier's annual report to the Commission shall be stated in accordance with the text of this account. For convenience in accounting the carrier may maintain currently separate subaccounts under the following captions:

713 and 759 (a) Interline freight, balance.
713 and 759 (b) Interline passenger, balance,
713 and 759 (c) Interline baggage, balance,
713 and 759 (d) Equipment interchanged, balance.

§ 10.760 *Audited accounts and wages payable.* This account shall include the amount of audited vouchers or accounts

and audited pay rolls unpaid on the date of the balance sheet. It shall include balances representing unclaimed wages and outstanding pay and time or discharge checks issued in payment of wages and all other unpaid vouchered items.

§ 10.761 *Miscellaneous accounts payable.* This account shall include outstanding drafts drawn by station agents, outstanding drafts drawn on the company in settlement of freight claims, conductors' refund and extra-fare checks not presented for redemption, deposits of affiliated companies subject to current settlement, taxes collected from employees and others for the account of taxing agencies, and other items of the nature of demand liabilities not covered by accounts 758, 759, 760, 762, and 763.

NOTE: The amount to be reported under this account is not the net balance between this account and account 715, "Miscellaneous accounts receivable."

§ 10.762 *Interest matured unpaid.* This account shall include the amount of matured and unpaid interest on funded debt, and other obligations of the accounting company for which provision has been made for current settlement.

Interest which matures on the first day following that for which the balance sheet is made shall be included in this account.

NOTE: Interest matured unpaid on nonnegotiable debt to affiliated companies, if not subject to current settlement, shall be included in account 757, "Amounts payable to affiliated companies."

§ 10.763 *Dividends matured unpaid.* This account shall include the amount of dividends payable on capital stock but unpaid, uncalled for, or unclaimed at the date of the balance sheet.

Dividends which become payable on the first day following that for which the balance sheet is made shall be included in this account.

§ 10.764 *Unmatured interest accrued.* This account shall include the amount of interest subject to current settlement accrued to the date the balance sheet is made but not payable until after the first day following that date on funded securities or obligations, debt in default, receivers' and trustees' securities, amounts payable to affiliated companies, notes payable and other indebtedness issued or assumed by the accounting company.

NOTE A: Interest accrued which is not paid when it matures shall be included in account 769½, "Interest in default," unless provision has been made for current settlement. Where interest is in default, subsequent accruals shall be credited direct to account 769½, "Interest in default."

NOTE B: Interest accrued on amounts recorded in account 757, "Amounts payable to affiliated companies," and not subject to current settlement, shall be included in that account.

§ 10.765 *Unmatured dividends declared.* This account shall include dividends declared on capital stock, but not payable until after the first day following the date of the balance sheet.

§ 10.766 *Accrued accounts payable.* This account shall include estimates of all unaudited items payable by the carrier to the date of the balance sheet which are chargeable to revenue, expense, or income accounts in accordance with § 10.02–2 *Unaudited items affecting operating accounts,* and § 10.06–3 *Unaudited items.* (See also § 10.08–7 *Current assets.*)

Examples, without limitation, of items to be accrued:

Rents payable under leases due subsequent to the date of the balance sheet which are not includible in account 761, "Miscellaneous accounts payable."

Amounts payable to others for unreported interline traffic.

Amounts payable to others for use of facilities, including equipment, for which bills have not been rendered.

Amounts payable to others for services for which bills have not been rendered.

NOTE: Do not include in this account the carrier's estimate of liability in respect of injuries to persons and loss and damage claims. Such estimated liability shall be credited to account 778, "Other unadjusted credits."

§ 10.767 *Taxes accrued.* This account shall be credited with the accruals of all taxes which have been concurrently charged to the appropriate income or other accounts for taxes. Such accruals may be based upon estimates, provided such estimates shall be adjusted so as to reflect in this account at all times the carrier's estimate of its unpaid liability for each of the several classes of taxes which have not been finally settled.

Vouchers for the current payment of taxes, including taxes for which accruals have not been made previously, shall be charged to this account. Taxes paid in advance shall also be charged to this account.

The records supporting the entries in this account shall be kept to show separately by classes of taxes the amount of the tax accruals for the current year and adjustments of accruals for prior years.

§ 10.768 *Other current liabilities.* There shall be included in this account the principal amount of unpresented bonds drawn for redemption through the operation of sinking and redemption fund agreements, also the principal amount of unpresented funded debt obligations, and receivers' and trustees' securities which have matured (for which provision has been made for current settlement), and other current liabilities not covered by accounts 758 to 767, inclusive.

§ 10.769 *Liability for provident funds.* This account shall include the ledger balances representing the liability of the accounting carrier for the amount of the assets (whether contributed by the company, by the employees, or by others) in the hands of its treasurer or of trustees or managers acting for it in the administration of employees' pension, savings, relief, hospital, and other association funds.

NOTE A: This account shall not include items representing funds in which the accounting company has no beneficial interest and which it holds purely as trustee.

NOTE B: In stating the balance sheet in the annual reports to the Commission, the liability for provident funds which are carried in the current cash of the company shall be included under current liabilities, in account 761, "Miscellaneous accounts payable."

§ 10.769½ *Interest in default.* This account shall include the amount of matured and unpaid interest (for which no provision has been made for current settlement) on all indebtedness issued or assumed by the accounting company except interest which is added to the principal of the debt on which incurred. Where interest is in default, subsequent accruals shall be credited direct to this account.

§ 10.770 *Other deferred liabilities.* This account shall include items of deferred liabilities not covered by accounts 769 and 769½ such as assessments for public improvements payable over a period longer than one year; retained percentages due contractors to be paid upon completion of contracts; deposits for construction of side tracks to be refunded on basis of an agreed portion of the earnings from the traffic handled over the tracks, and other similar items.

NOTE: The amount of assessments for public improvements, if payments are to be made within one year, shall be included in account 768, "Other current liabilities."

§ 10.772 *Premium on funded debt.* This account shall include the total of the net credit balances in the discount, expense, and premium accounts for the several sub-classes of funded debt. (See § 10.08–3 *Discount, expense, and premium on funded debt.*)

§ 10.773 *Insurance reserves.* This account shall include the net credit balance in the accounts to which are credited insurance premiums concurrently charged to operating expenses to cover self-carried risks on fire, fidelity, boiler, casualty, burglar, and other insurance, and to which are charged losses sustained on items protected by such insurance.

§ 10.773½ *Equalization reserves.* This account shall include ledger balances representing reserves created by charges to operating expenses for maintenance of road and equipment, in accordance with § 10.04–19 *Equalization of maintenance expenses.* The debit or credit balances in this account shall be closed at the end of each calendar year to the accounts through which they were created.

§ 10.774 *Maintenance reserves.* This account shall be credited with amounts systematically reserved by accruals to maintenance of way and structures and maintenance of equipment for deferred maintenance and major repairs to equipment in accordance with § 10.04–25 *Deferred maintenance, and major repairs to equipment.*

When the maintenance work for which provision was made has been performed, the cost of such repairs shall be charged, according to the nature of the repairs to the appropriate primary accounts under maintenance of way and structures and maintenance of equipment. Concurrently this account shall be cleared to the extent that provision has been made herein for such repairs through the accounts originally charged therewith.

NOTE: To the extent that provision is made in this account for deferred maintenance and major repairs to equipment an amount of cash equal thereto shall be deposited in a

special account or invested in United States Treasury securities and included in account 704½, "Maintenance funds."

§ 10.778 *Other unadjusted credits.* This account shall include the amount of credit balances in suspense accounts that cannot be cleared and disposed of until additional information is received, such as amounts received from sales of mileage tickets, to be disposed of as mileage is honored; amounts received from sales of excess baggage script, to be disposed of as coupons are honored; interchangeable mileage credential ticket redemption funds; amounts collected from the sale of damaged, unclaimed and overfreight held pending claim; estimated liability for injuries to persons and loss and damage claims; credit balances in clearing accounts, such as "Shop expenses," "Store expenses," "Operating gravel pits," and "Operating quarries"; estimated revenue overcharges such as those covered by reclamation claims or by claims of Governmental departments for the application of land-grant rates instead of commercial rates; unadjusted credit items not otherwise provided for and similar items, the proper disposition of which is uncertain.

NOTE: With respect to injuries to persons and loss and damage claims, if the settlements when audited are charged to this account the balances for each year shall be kept separately until all items have been adjusted and cleared, but, if the settlements when audited are charged to the appropriate expense accounts the balance in this account shall be adjusted through the appropriate expense accounts so as to reflect the probable liability at the close of each year.

§ 10.779 *Accrued depreciation; leased property.* This account shall be credited with amounts concurrently charged to operating expenses or other accounts to cover the estimated accrued depreciation on leased road and equipment when settlements between the accounting company and the lessor are not made currently. (See § 10.05–2 *Leased road and equipment; depreciation.*) It shall also be credited with depreciation accrued on property the cost of which is included in account 702, "Improvements on leased property." When leased property for which accruals have been included in this account is retired from service, the entire service value of property the cost of which has been charged to account 702 by the lessee and the service value of property, the ledger value of which is carried in account 701, "Road and equipment property," by the lessor for which the lessee is liable to the lessor shall be charged to this account.

§ 10.784 *Unearned surplus.* This account shall include all surplus arising from sources other than those classable under profit and loss and earned surplus accounts or other balance sheet accounts for which specific provision is made. Subaccounts shall be maintained as follows:

§ 10.784–1 *Paid-in surplus.* This subaccount shall include such items as amount of consent dividends on the accounting company's capital stock; surplus arising from donations by the accounting company's stockholders; amounts representing reduction of the par or recorded value of the accounting company's capital stock; amounts of forfeited subscriptions to the accounting company's capital stock; gain from the acquisition, retirement, or resale of reacquired shares of the accounting company's capital stock; and long-term debt of the accounting company forgiven by stockholders.

It shall be charged with amounts included herein when capitalized by stock dividends or otherwise with the approval of the Commission, and losses from retirement or resale of reacquired shares up to an amount not in excess of credits included herein applicable to the reacquired shares; and may be charged with the amortization of discount on capital stock to the extent of credits herein. (See § 10.08–2 *Discount, premium, and assessment on capital stock.*)

§ 10.784–2 *Other unearned surplus.* This subaccount shall include unearned surplus, as above defined, arising from sources other than those enumerated under subaccount 784.1.

§ 10.785 *Earned surplus; appropriated.* This account shall include the total of the net balances of appropriations of income and earned surplus for the acquisition of capital assets; the retirement of debt; sinking and redemption funds; and all other appropriations specifically set aside in the hands of trustees as well as appropriations held in general funds for which no specific investment or segregation of assets has been made. It shall also include accretions to the assets held in such special funds. (See income account 552, "Income applied to sinking and other reserve funds.")

A subdivision of this account shall be maintained by classes of appropriations, the titles of which shall indicate the purpose for which the appropriations were made.

§ 10.786 *Earned surplus; unappropriated.* This account shall include the net balance (debit or credit) of the amounts included in accounts 601 to 621, inclusive. It shall not include transfers either to or from account 784, "Unearned surplus," unless so authorized upon application to the Commission.

The balance of all profit and loss accounts (601 to 621, inclusive) shall be closed into this account at the end of each calendar year.

§ 10.790 *Form of general balance-sheet statement.* The classified form of general balance-sheet statement is designed to show the financial condition of the accounting company at any specified date.

ASSET SIDE

Investments:
- 701. Road and equipment property.
- 702. Improvements on leased property.
- 702½A. Acquisition adjustment.
- 702½B. Donations and grants.

Investment in transportation property.
- 702½C. Accrued depreciation—Road.
- 702½D. Accrued depreciation—Equipment.
- 702½E. Accrued amortization of defense projects—Road.
- 702½F. Accrued amortization of defense projects—Equipment.

Investment in transportation property less recorded depreciation and amortization.

Investments—Continued
- 703. Sinking funds.
  - Total book assets at date (In short column.)
  - Carrier's own issues at date. (In short column.)
  - Other assets at date. (In long column.)
- 704. Capital and other reserve funds.
  - Total book assets at date. (In short column.)
  - Carrier's own issues at date. (In short column.)
  - Other assets at date. (In long column.)
- 704½. Maintenance funds.
- 705. Miscellaneous physical property.
- 705½. Accrued depreciation—Miscellaneous physical property.

Miscellaneous physical property less recorded depreciation.
- 706. Investments in affiliated companies—
  - (a) Stocks.
  - (b) Bonds.
  - (c) Other secured obligations.
  - (d) Unsecured notes.
  - (e) Investment advances.
- 707. Other investments—
  - (a) Stocks.
  - (b) Bonds.
  - (c) Other secured obligations.
  - (d) Unsecured notes.
  - (e) Investment advances.
- 707½. Reserve for adjustment of investment in securities.

Total.

Current assets:
- 708. Cash.
- 709. Temporary cash investments.
- 711. Special deposits.
  - Total book assets at date. (In short column.)
  - Carrier's own issues at date. (In short column.)
  - Other assets at date. (In long column.)
- 712. Loans and bills receivable.
- 713. Traffic and car-service balances—Dr.
- 714. Net balance receivable from agents and conductors.
- 715. Miscellaneous accounts receivable.
- 716. Material and supplies.
- 717. Interest and dividends receivable.
- 718. Accrued accounts receivable.
- 719. Other current assets.

Total.

Deferred assets:
- 720. Working fund advances.
- 721. Insurance and other funds.
  - Total book assets at date. (In short column.)
  - Carrier's own issues at date. (In short column.)
  - Other assets at date. (In long column).
- 722. Other deferred assets.

Total.

Unadjusted debits:
- 723. Prepayments.
- 725. Discount on funded debt.
- 726. Property retired chargeable to operating expenses.
- 727. Other unadjusted debits.
- 728. Securities issued or assumed—Unpledged. (In short column only.)
- 729. Securities issued or assumed—Pledged. (In short column only.)

Total.

LIABILITY SIDE

Stock:
- 751. Capital stock—
  - Book liability date. (In short column.)
  - Held by or for carrier at date. (In short column.)
  - Actually outstanding at date. (In long column.)
- 752. Stock liability for conversion.
- 753. Premiums and assessments on capital stock.
- 754. Discount on capital stock.

Total.

Long term debt:
755. Funded debt unmatured—
Book liability at date. (In short column.)
Held by or for carrier at date. (In short column.)
Actually outstanding at date. (In long column.)
755½. Debt in default.
756. Receivers' and trustees' securities.
756½. Equipment obligations.
757. Amounts payable to affiliated companies.
(a) Notes.
(b) Par value of matured funded debt of affiliated companies.
(c) Open accounts.
(d) Interest accrued on amounts included in this account.
Total.
Current liabilities:
758. Loans and bills payable.
759. Traffic and car-service balances—Cr.
760. Audited accounts and wages payable.
761. Miscellaneous accounts payable.
762. Interest matured unpaid.
763. Dividends matured unpaid.
764. Unmatured interest accrued.
765. Unmatured dividends declared.
766. Accrued accounts payable.
767. Taxes accrued.
768. Other current liabilities.
Total.
Deferred liabilities:
769. Liability for provident funds.
769½. Interest in default.
770. Other deferred liabilities.
Total.
Unadjusted credits:
772. Premium on funded debt.
773. Insurance reserves.
773½. Equalization reserves.
774. Maintenance reserves.
778. Other unadjusted credits.
779. Accrued depreciation—Leased property.
Total.
Surplus:
784. Unearned surplus. (In long column.)
1. Paid-in surplus. (In short column only.)
2. Other unearned surplus. (In short column only.)
785. Earned surplus—Appropriated.
786. Earned surplus—Unappropriated.
Total surplus.

By the Commission, Division 1.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 47-6358; Filed, July 8, 1947; 8:47 a. m.]

[S. O. 624, Amdt. 7]

PART 95—CAR SERVICE

MOVEMENT OF GRAIN TO TERMINAL ELEVATORS BY PERMIT

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 2d day of July A. D. 1947.

Upon further consideration of Service Order No. 624 (11 F. R. 12183), as amended (11 F. R. 13792, 14272; 12 F. R. 48, 775, 1420, 4185), and good cause appearing therefor, it is ordered, that:

Section 95.624 *Movement of grain to terminal elevators by permit,* of Service Order No. 624, as amended be, and it is hereby, further amended by substituting the following paragraphs (a) and (b) for paragraphs (a) and (b) thereof:

(a) (1) *Movement of grain into port areas restricted.* No common carrier by railroad subject to the Interstate Commerce Act shall accept for transportation, transport, or move any car loaded with export grain waybilled and consigned to any elevator or for direct delivery to a vessel in the port area of Albany, New York, or any Atlantic Seaboard port (Hampton Roads, Va., and north thereof) unless such origin carrier has first obtained a permit from the elevator or the delivering railroad in the port area.

(2) *Priority for loading certain grain required.* All common carriers by railroad, subject to the Interstate Commerce Act, serving points where export grain subject to this order is loaded, shall give preference and priority over all other traffic to supplying or placing a box car or cars for loading grain, providing the Agent appointed herein, certifies in writing that such box car is intended for loading with grain for the foreign relief program.

(b) *Appointment of agent and designation of duties.* (1) Homer C. King, Director, Bureau of Service, Interstate Commerce Commission, Washington, D. C., is hereby designated and appointed as an agent of this Commission and authorized to appoint elevators or delivering carriers in the port areas as permit agents under paragraph (a) hereof.

(2) In appointing elevators and delivering carriers in port areas described herein as permit agents Agent King is authorized to prescribe the terms and conditions under which permits may be issued and is authorized at any time to change, revoke or cancel the terms or conditions under which permits may be issued.

It is further ordered, that this amendment shall become effective at 6:00 p. m., July 2, 1947; that a copy of this order be served upon the Association of American Railroads, Car Service Division, as agent of all railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this order be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

(40 Stat. 101, sec. 402, 41 Stat. 476, sec. 4, 54 Stat. 901; 49 U. S. C. 1 (10)-(17))

By the Commission, Division 3.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 47-6355; Filed, July 8, 1947; 8:56 a. m.]

Chapter II—Office of Defense Transportation

[Administrative Order ODT 33, Revocation]

PART 503—ADMINISTRATION

PROCEDURES; CERTIFICATION OF TRANSPORTATION PERSONNEL FOR DEFERMENT FROM MILITARY SERVICE

Pursuant to Executive Orders 8989, as amended, and 9729, *It is hereby ordered,* That Administrative Order ODT 33, §§ 503.550 to 503.552, inclusive (11 F. R. 9762) be, and it is hereby, revoked.

(E. O. 8989, December 18, 1941, 6 F. R. 6725; E. O. 9389, October 18, 1943, 8 F. R. 14183; E. O. 9729, May 23, 1946, 11 F. R. 5641)

Issued at Washington, D. C., this 2d day of July 1947.

J. M. JOHNSON, *Director of the Office of Defense Transportation.*

[F. R. Doc. 47-6382; Filed, July 8, 1947; 8:48 a. m.]

PROPOSED RULE MAKING

DEPARTMENT OF AGRICULTURE

Production and Marketing Administration

[7 CFR, Part 953]

[Docket No. AO 144-A1 RO1]

HANDLING OF LEMONS GROWN IN CALIFORNIA AND ARIZONA

NOTICE OF HEARING ON PROPOSED AMENDMENTS TO MARKETING AGREEMENT AND ORDER

Pursuant to the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and in accordance with the applicable rules of practice and procedure (7 CFR and Supps. 900.1 et seq.; 11 F. R. 7737; 12 F. R. 1159), notice is hereby given of a public hearing to be held at Room 212, United States Court House, First Avenue and Van Buren Street, Phoenix, Arizona beginning at 10:00 a. m., P. s. t., August 4, 1947 and continued in Room 324, Federal Building, Los Angeles, California beginning at 10:00 a. m., P. s. t., August 7, 1947.

Such hearing is to be held, on the application of the California Fruit Growers Exchange, Los Angeles, California, for the purpose of receiving further evidence with respect to all aspects of the proposed amendments, set forth in the notice of hearing (11 F. R. 13219) dated November 1, 1946, to the marketing agreement and Order No. 53 (7 CFR, Cum. Supp., 953.1 et seq.), regulating the handling of lemons grown in the States of California and Arizona, which were considered at a public hearing held at Los Angeles, California, on December 3, 4, and 5, 1946, which hearing is hereby reopened to that extent. The public hearing commencing on August 4, 1947, is also for the purpose of receiving evi-

dence with respect to economic or marketing conditions relating to all aspects of additional proposed amendments, to the said marketing agreement and order, as hereinafter set forth, and appropriate modifications thereof.

The proposed amendments have not received the approval of the Secretary of Agriculture.

The matters as to which the prior hearing is reopened are as follows:

1 to 11, inclusive. All of the proposals set forth in the notice of hearing (11 F. R. 13219) dated November 1, 1946.

Additional proposals submitted by the California Fruit Growers Exchange, Los Angeles, California:

12. Add to section 4 of the marketing agreement and § 953.4 of the order the following new paragraph "o":

(o) There are hereby established two separate prorate districts for lemons, designated as follows:

District 1—consisting of the entire California lemon production area except that portion in District 2.

District 2—consisting of the entire Arizona lemon production area, and Imperial County, California, and that part of Riverside County, California, South and East of the San Gorgonio Pass.

The regulatory provisions of this section shall be applied independently within each of said districts. In determining and recommending to the Secretary the portion of the total weekly allotment of lemons to be allocated to each of such districts, the following factors shall be considered by the committee: the comparative marketing seasons and marketing practices of the two districts, the relative maturity of the fruit in the two districts throughout the current lemon season, the relative susceptibility or nonsusceptibility to storage of lemons in the two districts, the total quantity of lemons which can be shipped fresh during the normal marketing period of each of said districts, and the market opportunities for lemons throughout the season.

The Fruit and Vegetable Branch, Production and Marketing Administration, has proposed that consideration be given to such other changes in the provisions of the marketing agreement and order as may be necessary to make the entire marketing agreement and order conform with the proposed amendments contained in this notice of hearing.

Copies of this notice of hearing may be obtained from the Hearing Clerk, United States Department of Agriculture, Washington 25, D. C., or from the Fruit and Vegetable Branch, Production and Marketing Administration, 1206 Santee Street, Los Angeles, California.

Done at Washington, D. C., this 3d day of July 1947.

[SEAL] F. R. BURKE,
Acting Assistant Administrator, Production and Marketing Administration.

[F. R. Doc. 47-6383; Filed, July 8, 1947; 8:48 a. m.]

[7 CFR, Part 961]

HANDLING OF MILK IN PHILADELPHIA, PA., MARKETING AREA

NOTICE OF EXTENSION OF TIME FOR FILING WRITTEN EXCEPTIONS WITH RESPECT TO RECOMMENDED DECISION ON PROPOSED MARKETING AGREEMENT AND TO PROPOSED AMENDMENT TO ORDER

Pursuant to the rules of practice and procedure governing proceedings to formulate marketing agreements and marketing orders (7 CFR, Supps. 900.1 et seq.; 11 F. R. 7737; 12 F. R. 1159), notice is hereby given that the time for filing exceptions to a recommended decision (12 F. R. 4274) of the Assistant Administrator, Production and Marketing Administration, United States Department of Agriculture, with respect to a proposed marketing agreement and an amendment to the order, as amended, regulating the handling of milk in the Philadelphia, Pennsylvania, marketing area, to be made effective pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C., 601 et seq.) is hereby extended. Interested parties may file exceptions to the recommended decision with the Hearing Clerk, Room 0308, South Building, United States Department of Agriculture, Washington 25, D. C., postmarked not later than July 12, 1947.

Filed at Washington, D. C., this 3d day of July 1947.

[SEAL] F. R. BURKE,
Acting Assistant Administrator.

[F. R. Doc. 47-6387; Filed, July 8, 1947; 9:05 a. m.]

[7 CFR, Part 965]

HANDLING OF MILK IN CINCINNATI, OHIO, MARKETING AREA

DECISION WITH RESPECT TO PROPOSED MARKETING AGREEMENT AND PROPOSED AMENDMENTS TO ORDER

Pursuant to Public Act No. 10, 73d Congress (May 12, 1933), as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C., 601), (hereinafter referred to as the "act"), and the rules of practice and procedure governing proceedings to formulate marketing agreements and marketing orders (7 CFR, Supps., 900.1, et seq., 11 F. R. 7737, 12 F. R. 1159), a public hearing was held at Cincinnati, Ohio, on March 3, 1947, pursuant to the notice thereof which was published in the FEDERAL REGISTER on February 27, 1947 (12 F. R. 1397), upon certain proposed amendments to the order, as amended, and to a proposed marketing agreement regulating the handling of milk in the Cincinnati, Ohio, marketing area.

Upon the basis of the evidence introduced at such hearing and the record thereof, the Assistant Administrator, Production and Marketing Administration, on June 10, 1947 filed with the Hearing Clerk, United States Department of Agriculture, his recommended decision in this proceeding. The notice of the filing of such recommended decision and opportunity to file written exceptions thereto was published in the FEDERAL REGISTER June 13, 1947 (12 F. R. 3865).

The material issues presented on the record of the hearing were:

(1) How and to what extent, if any, should the level of the price differential for Class I milk above the basic Class III milk price be changed;

(2) How and to what extent, if any, should the level of the price differential for Class II milk above the basic Class III milk price be changed;

(3) Establishing a lower price for Class III milk disposed of as butter; and

(4) Revising the manner of computing the value of milk for each handler so that the average price (blend of Class I, Class II, and Class III milk values) for any handler can never exceed the price for Class I milk.

Findings and conclusions. The findings and conclusions herein set forth together with the reasons therefor are, on the basis of the hearing record, as follows:

(1) The Class I price differential over the basic Class III price should be revised to provide a seasonal pattern, including floor prices, and an increase in the annual average level of the differential.

General economic conditions and business activity in the Cincinnati area indicate a continued good demand for milk and milk products.

The prices of livestock and grains have advanced sharply in 1947 and compared to declining milk prices offer returns from alternative farm enterprises which will tend to discourage milk production if these price relationships continue over an extended period of time.

Cincinnati handlers compete with milk buyers in other areas for supplies to be used for fluid milk purposes. Several condenseries also buy milk from farmers residing in or near the Cincinnati milkshed. The record is replete with references to the keen competition for milk between the Cincinnati and the Dayton-Springfield areas. The price relationship between these two areas shows historically that the Cincinnati price has been somewhat higher.

The Cincinnati basic or Class III price is derived from the prices paid dairy farmers by five named nearby Ohio, Indiana, and Kentucky condenseries and is different from the basic formula price used in a number of competing fluid milk markets. The basic formula price used in the Dayton-Springfield, Columbus, Tri-State, and Louisville markets is derived from the prices paid dairy farmers by eighteen named Wisconsin and Michigan condenseries. On a hundredweight basis for milk containing 3.5 percent butterfat the Cincinnati basic price averaged 22 cents lower for 1945 and 19 cents lower for 1946 than the basic price used in the above-named markets. Thus after giving consideration to other price-making factors found in varying degrees in this group of neighboring markets the Cincinnati Class I differential must be

about 20 cents per hundredweight above the others to be on a comparable basis and keep the resulting Class I prices in line.

More rigid enforcement of the Cincinnati Health Department Regulations has resulted in producers having to use costly mechanical milk refrigerators. The regulations requiring farmers to deliver cold milk have come about over a period of years. Handlers originally offered premiums for milk of special quality which was usually produced under mechanical refrigeration. About the time of the war emergency the Health Department announced that it would require all milk to be delivered to the Cincinnati fluid milk market at or below a temperature of 60 degrees. This requirement was not enforced because mechanical refrigerators were unobtainable and the effective date requiring cold milk has been extended from time to time. The record indicates that as of May 1, 1947, the requirement would be enforced. Handlers and producer associations have procured great numbers of refrigerators for their producers and will continue until all producers are so equipped. The premium paid for mechanically cooled milk has gradually declined over several years to a level of approximately 10 cents per hundredweight. It would appear that this amount has been the minimum incentive necessary to induce producers to incur the added cost of cooling milk mechanically up to the time they were required to do so by health department regulations.

The trend of the cost of feeds, labor, and supplies incurred by farmers in the production of milk has been upward during 1946 and 1947. The price of some feeds decreased somewhat from the peak reached when ceilings were removed in 1946 until February 1947. During February and March of 1947 the price of dairy feeds advanced sharply and established a new upward trend. Attempting to find an index that will reflect many milk price-making factors, the order provides for a basic Class III price which is the price paid for manufacturing milk by a selected group of condenseries in the Cincinnati territory. The basic Class III price does not, however, reflect fully all the factors necessary to arrive at a price for Class I milk. The order, therefore, provides a differential that is added to the basic Class III price to arrive at the Class I price. This differential is utilized to reflect various price-making factors not fully covered by the basic Class III price and to balance the relative weights of such factors under current local economic conditions, so that the Class I price will be at a level which will reflect, in addition to the price and availability of feeds, other economic conditions which affect market supply and demand for milk in the marketing area and will insure an adequate supply of pure and wholesome milk and be in the public interest. Farmers producing milk for fluid purposes must use feed, labor and supplies more extensively to maintain production at a more uniform and high level than is required of manufacturing milk producers. Consequently, the increases in the prices which have taken place in these items affect the fluid milk producers more than producers of milk for condenseries. The trend of basic Class III price is downward and has decreased 54 cents from November 1946 to January 1947, the last price quoted in the record.

The level of production of regular producer milk has been insufficient to meet the needs of Class I milk and Class II milk in the Cincinnati market. It has been necessary for handlers to supplement their supplies of producer milk in Class I and Class II with substantial quantities of milk from other sources usually of a lower quality standard than producer milk.

Furthermore, there has been a maladjustment in the supply of regular producer milk in relation to the demand for Class I and Class II milk in the Cincinnati market. The utilization of Class I milk and Class II milk has been relatively uniform throughout the year; whereas the receipts of milk from producers vary among the seasons of the year. The variation in the receipts of producer milk between the flush production season and the short production season has become progressively wider for several years. Production varies seasonally to such an extent that in 1946 the production for November was only 57 percent of that for June. The cost of producing milk is considerably higher during the fall and winter months than during the months of April, May, June, and July. Recent price plans employed in the Cincinnati area have not provided as great a seasonal variation in producer prices as was customary prior to the maximum price regulations effective during the war emergency. For this period of time farmers were urged to produce all the milk possible with little regard to the season or the requirements of their local fluid milk market. Under these conditions, maximum milk production shifted to the spring months when production costs were at their lowest level. To halt and reverse this trend, especially at a time when general milk market conditions are unsettled, will require a guarantee that the fall and winter prices are to be substantially higher than spring prices. Absolute floor prices for the 1947–48 season in conjunction with a Class I price differential employing a seasonal pattern, from a long time standpoint, will give this assurance. If the basic Class III formula produces a higher price for these fall and winter months, it should prevail as a further guarantee that the Class I price will be more in line with the then current marketing conditions. The record indicates the need of a seasonal Class I price differential which would be 30 cents more for the eight months of August through March than for the four months of April through July. Normally, the basic Class III price is about 20 to 40 cents higher for the months of short production. Also normally, the percentage utilization of producer milk for fluid purposes is higher during the fall and winter months, resulting in about a 10 to 20 cent higher blend price compared to the flush production season. Adding these three factors together, it is estimated that the blend price for the short production months will exceed that for the flush production months by about 60 to 90 cents.

Handlers, in their brief proposing certain findings, contend that, on the basis of the record, the present class price differentials should be lowered, but because of the uncertainties in the market conclude no changes should be made in the class prices for milk at the present time. These very uncertainties in market conditions are the best argument for changing the price-making patterns to one calculated to stabilize the fluid milk market as much as possible during the postwar realignment of dairy prices and other commodity prices. Aside from this the other heretofore mentioned price-making factors warrant a revision of the pricing plan.

It is concluded that the weighing of the above-mentioned price-making factors indicates the need for revising the level of the Class I price differential upward about 10 cents per hundredweight on an annual average. It is further concluded that the milk producers of the Cincinnati area need at this time, when they are planning their fall and winter production program, more definite assurance as to the level of milk prices than is presently afforded by the basic Class III price. In order to obviate uncertainty inherent in the basic Class III price during abnormal postwar marketing conditions, a floor price for Class I milk is established below which the price will not be permitted to go. The level of floor prices for the fall and winter months should be substantially higher than the prices prevailing during May and June to emphasize the seasonal factor of milk pricing and assure farmers of higher prices during the seasons when an increase in milk production is most needed by the market. A Class I floor price beginning July 1, 1947, of $4.80 and increasing to $5.24 beginning September 1, 1947 (approximately 1 cent per quart below December 1946) will recognize this seasonality and result in prices well above the current level of May and June prices. These changes are accomplished by revising the present year-around Class I price differential of $1.15, over the basic Class III price, to the seasonal pattern of $1.05 for the four months of April through July and $1.35 for the eight months of August through March (annual average $1.25); *Provided*, That for the months of July and August, 1947, the price for Class I milk shall not be less than $4.80 and for the months of September, October, November, and December, 1947, such price shall not be less than $5.24: *And provided further*, That the Class I price for January 1948 shall not be less than the December 1947 Class I price minus $0.44 and that the February 1948 Class I price shall not be less than the January 1948 Class I price minus $0.44.

Handlers, in their exceptions to the recommended decision, contended that the price differentials are actually increased over 20 cents per hundredweight on an annual average. As applied to price differentials, specifically, this statement is not mathematically correct. However, a computation included with the above exceptions produced such a result by basing the computation on (1)

condensery price forecasts (not in the record) through March 1948, and (2) use of floor prices to arrive at price differentials when, if the condensery price forecasts were correct, such floor prices would prevail. Such a computation commingles the factors of floor prices, which have been designed to insure minimum seasonality for a limited period, with the factors of price differentials, which have been employed to accomplish seasonality over a long term, and indicates that the exceptions are more concerned with actual price levels than with price differentials. In this connection the handlers' exceptions stated that, with the floor of $5.24 (for Class I milk), handlers will have to pay much more for milk in 1947–48 than they did in 1946–47. The record shows that the average of prices for Class I milk actually paid by handlers in the Cincinnati marketing area during the months of September 1946 through March 1947 was $5.242. The floor prices, as well as price differentials, have been designed to accomplish seasonality in the pricing plan and, on an annual basis, do not exceed producers' proposals, as was stated in the handlers exceptions. Such prices have been calculated to afford a better alignment with neighboring markets and, subsequently, on the basis of a hearing held on May 7–9, 1947, revisions of the Dayton prices are being considered.

(2) The Class II milk price differential over the basic Class III prices should be revised to provide a seasonal price pattern, including floor prices, and an increase in the annual average level of the differential. The relationship between the present Class I and Class II differentials should be maintained month by month in the revised seasonal class pattern and in the floor prices.

The material factors with reference to revising the Class II price differential over the basic formula price to a seasonal pattern and a higher annual average level and the floor prices are the same as those set forth with respect to Class I.

(3) A lower price for Class III milk disposed of as butter should not be established at this time.

During the heavy production months some milk received in excess of Class I and Class II requirements is disposed of as butter (Class III) by some handlers. When milk is disposed of as butter, the skim milk is normally processed into a by-product. All handlers are not equipped to process condensed skim milk. Some handlers contend that the Class III price is too high for milk disposed of as butter unless the skim milk is salvaged. Handlers not equipped to process skim milk normally sell it to handlers so equipped. The record shows that sufficient sugar would be unavailable for handlers to process the anticipated amount of skim milk during the flush production season of 1947 unless the rationing plan was revised to make more sugar available for condensing milk.

The evidence introduced in support of this proposal was promised primarily on a reasonable price for milk made into butter without making an allowance for the value of the skim milk. The evidence fails to show a basis for lowering the price of Class III milk when made into butter and sugar is available for the manufacture of condensed skim milk or other manufacturing outlets for skim milk are available. The testimony offered in support of this proposal indicated that any lower price for Class III milk made into butter should apply only for the months of April, May, and June. Inasmuch as an amendment to the order cannot be made effective for such period in 1947 and the record fails to show sufficiently that such conditions may be anticipated in the future, and for the other foregoing reasons it is concluded that a lower price for Class III milk disposed of as butter should not be established at this time.

(4) The manner of computing the value of milk for each handler should not be changed at this time.

A proposal was made to revise the manner of computing the value of milk for each handler so that the average price (blend of Class I, Class II, and Class III milk values) for any handler can never exceed the price for Class I milk.

While on its face this proposal might seem reasonable, it completely overlooks the fact that the method of computing the value of milk for a handler was adopted, on the basis of prior hearing records, so that under certain conditions the composite price will exceed the Class I price. The proposal ignores the fact that under the present plan of classification a handler's composite price would normally exceed the Class I price when—(a) most of the butterfat used in the lower classes is so-called "differential fat," (b) considerable milk from undisclosed sources is used to replace producer milk, (c) there is a decided "overrun" (sales exceed purchases) or (d) sizable upward classification changes are made through audit corrections. This proposal could not be adopted without disrupting or nullifying the particular method of classifying milk and computing price employed by the Cincinnati order unless a complete revision of the plan is made. The record is inadequate for this purpose and for this reason it is concluded that no revision should be made in the manner of computing the value of milk for a handler.

The recommended decision containing rulings on the proposed findings and conclusions submitted by interested parties in this proceeding. Such findings are confirmed, except as modified, by the findings and conclusions set forth herein. Exceptions were led on behalf of certain handlers subject to Order No. 65 with respect to certain of the findings and conclusions contained in the recommended decision. With regard to the exceptions filed by handlers to certain findings and conclusions in the recommended decision, such exceptions do not make reference to specific amendments, but with reference to the principal issues raised therein, this decision contains a ruling thereon in the discussion of the material issue to which the exception refers. Such other exceptions of a general, specific, or implied nature are hereby denied. Exceptions were also raised by certain individuals (mostly Cincinnati, Ohio, residents) to the general effect that the proposed actions will increase the prices paid to producers, and that, in turn, will cause increases in the prices charged the consumers which will decrease milk consumption. The exceptions take no cognizance of the fact that there is a shortage of inspected milk, requiring the importation of emergency milk, and that it is necessary to encourage the producers to increase the supply of pure and wholesome milk, especially in the fall and winter months. Also, it is heretofore concluded that the prices proposed to be fixed are in accordance with the standards and objectives fixed by the act and are in the public interest. Such exceptions are, therefore, denied.

(4) *General.* (a) The proposed marketing agreement and the order, as amended, and as hereby proposed to be further amended and all of the terms and conditions thereof will tend to effectuate the declared policy of the act;

(b) The proposed marketing agreement and order, as amended and as hereby proposed to be further amended, regulates the handling of milk in the same manner as and is applicable only to persons in the respective classes of industrial and commercial activity specified in the said tentatively approved marketing agreement upon which the hearing has been held; and

(c) The prices calculated to give milk produced for sale in the said marketing area a purchasing power equivalent to the purchasing power of such milk as determined pursuant to sections 2 and 8 (e) of the act are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply of and demand for such milk, and the minimum prices specified in the proposed marketing agreement and order, as amended, and as hereby proposed to be further amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest.

Marketing agreement and order. Annexed hereto and made a part hereof are two documents entitled "Marketing agreement regulating the handling of milk in the Cincinnati, Ohio, marketing area" and "Order amending the order, as amended, regulating the handling of milk in the Cincinnati, Ohio, marketing area," which have been decided upon as the appropriate and detailed means of effecting the foregoing conclusions. These documents shall not become effective unless and until the requirements of § 900.14 of the rules of practice and procedure governing proceedings to formulate marketing agreements and marketing orders have been met.

It is hereby ordered, That all of this decision, except the attached marketing agreement, be published in the FEDERAL REGISTER. The regulatory provisions of said marketing agreement are identical with those contained in the order, as amended, and as further amended by the attached order amending the order, as amended, which will be published with the decision.

This decision filed at Washington, D. C., this 3d day of July 1947.

[SEAL] N. E. DODD,
Secretary of Agriculture.

Order,[1] *Amending the Order, as Amended, Regulating the Handling of Milk in the Cincinnati, Ohio, Marketing Area*

§ 965.0 *Findings upon the basis of the hearing record.* Pursuant to Public Act No. 10, 73d Congress (May 12, 1933), as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (hereinafter referred to as the "act"), and the rules of practice and procedure covering the formulation of marketing agreements and orders (7 CFR, Supps. 900.1 et seq., 11 F. R. 7737, 12 F. R. 1159), a public hearing was held upon certain proposed amendment to the tentatively approved marketing agreement and to the order, as amended, regulating the handling of milk in the Cincinnati, Ohio, marketing area. Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

(a) The said order as amended and as hereby further amended, and all of the terms and conditions of said order, as amended, and all of the terms and conditions of said order, as amended and as hereby further amended, will tend to effectuate the declared policy of the act;

(b) The prices calculated to give milk produced for sale in said marketing area a purchasing power equivalent to the purchasing power of such milk as determined pursuant to sections 2 and 8 (e) of the act are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supplies of and demand for such milk, and the minimum prices specified in the order are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest; and

(c) The said order, as amended and as hereby further amended, regulates the handling of milk in the same manner as and is applicable only to persons in the respective classes of industrial and commercial activity specified in a marketing agreement upon which hearings have been held.

The foregoing findings are supplementary and in addition to the findings made in connection with the issuance of the aforesaid order and the findings made in connection with the issuance of each of the previously issued amendments thereto; and all of said previous findings are hereby ratified and affirmed except insofar as such findings may be in conflict with the findings set forth herein.

Order relative to handling. It is therefore ordered that on and after the effective date hereof, the handling of milk in the Cincinnati, Ohio, marketing area shall be in conformity to and in compliance with the terms and conditions of the aforesaid order, as amended, and as hereby further amended; and the aforesaid order, as amended, is hereby further amended as follows:

1. Delete § 965.6 (a) (1) and substitute therefor the following:

(1) The price for Class I milk shall be the price for Class III milk plus $1.05 for the delivery periods of April through July and $1.35 for the delivery periods of August through March: *Provided,* That for the delivery periods of July and August, 1947, the price for Class I milk shall not be less than $4.80 and that for the delivery periods of September, October, November, and December, 1947, such price shall not be less than $5.24: *And provided further,* That the Class I price for January 1948 shall not be less than the December 1947 Class I price minus $0.44 and that the February 1948 Class I price shall not be less than the January 1948 Class I price minus $0.44.

2. Delete § 965.6 (a) (2) and substitute the following:

(2) The price for Class II milk shall be the price for Class III milk plus $0.60 for the delivery periods of April through July and $0.90 for the delivery periods of August through March: *Provided,* That for the delivery periods of July and August, 1947, the price for Class II milk shall not be less than $4.35 and that for the delivery periods of September, October, November, and December, 1947, such price shall not be less than $4.79: *And provided further,* That the Class II price for January 1948 shall not be less than the December 1947 Class II price minus $0.44 and that the February 1948 Class II price shall not be less than the January 1948 Class II price minus $0.44.

[F. R. Doc. 47-6384; Filed, July 8, 1947; 9:05 a. m.]

[1] This order shall not become effective unless and until the requirements of § 900.14 of the rules of practice and procedure governing proceedings to formulate marketing agreements and marketing orders have been met.

NOTICES

DEPARTMENT OF LABOR

Wage and Hour Division

[Administrative Order 369]

SPECIAL INDUSTRY COMMITTEE NO. 5 FOR PUERTO RICO

ADDITION TO LIST OF INDUSTRIES

Whereas on June 16, 1947 by Administrative Order No. 367, published in the FEDERAL REGISTER on June 20, 1947 (12 F. R. 4006), I appointed Special Industry Committee No. 5 for Puerto Rico and charged it with the duty of investigating conditions in the industries in Puerto Rico enumerated and defined in the order and of recommending minimum wage rates for employees in such industries; and

Whereas, I now desire to amend Administrative Order No. 367 so as to extend the scope of the Committee's investigation to include the Leather and Skin Products Division of the Leather, Textile, Rubber, Straw, and Related Products Industries in Puerto Rico, and so as to charge the Committee with the duty of recommending minimum wage rates for employees in that Division;

Now therefore, by virtue of and pursuant to the authority vested in me by section 5 (e) of the Fair Labor Standards Act of 1938, as amended (Sec. 3 (c), 54 Stat. 615; 29 U. S. C. 205 (e)), *It is ordered,* That Administrative Order No. 367, dated June 16, 1947, is hereby amended by deleting the word "and" before "Vegetable Packing Industry" at the end of the enumeration of industries in paragraph 2 of said order; changing the period at the end of the paragraph to a semicolon and adding thereafter the following: "And the Leather and Skin Products Division of the Leather, Textile, Rubber, Straw and Related Products Industries"; and adding the following at the end of paragraph 3 of the said order:

Leather and Skin Products Division of the Leather, Textile, Rubber, Straw, and Related Products Industries in Puerto Rico. This division consists of the manufacture of products made from cured hides, skins, leather, or furs, except activities or products included in the Decorated Leather Button Division of the Leather, Textile, Rubber, Straw, and Related Products Industries or the Needlework Industries, as those industries in Puerto Rico are defined in the wage orders applicable thereto, or in the Shoe Manufacturing and Allied Industries or the Small Leather Goods and Related Products Industry, as those industries in Puerto Rico are defined in Administrative Order No. 367 appointing Special Industry Committee No. 5 for Puerto Rico.

Signed at Washington, D. C., this 2d day of July 1947.

WM. R. MCCOMB,
Administrator.

[F. R. Doc. 47-6352; Filed, July 8, 1947; 8:55 a. m.]

FEDERAL POWER COMMISSION

[Docket No. G-809]

COLORADO-WYOMING GAS CO.

NOTICE OF FINAL DECISION AND ORDER

JULY 3, 1947.

Notice is hereby given that the initial decision and order issuing a certificate of public convenience and necessity in the above-designated matter became effective on July 1, 1947, as the final decision and order of the Commission.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 47-6362; Filed, July 8, 1947; 8:56 a. m.]

[Docket No. G-912]

INTERSTATE NATURAL GAS CO., INC.

NOTICE OF APPLICATION

JUNE 27, 1947.

Notice is hereby given that on June 16, 1947, Interstate Natural Gas Company, Inc. (Applicant), a Delaware corporation, having its principal office in Monroe, Louisiana, filed an application with the Federal Power Commission pursuant to section 7 of the Natural Gas Act, as amended, for authority to abandon and remove a certain portion of its natural-gas facilities, subject to the jurisdiction of the Commission, described as follows:

Approximately 1.63 miles of 10.75-inch pipe in the second from the upstream line across the Mississippi River, near Natchez, Mississippi, beginning at the main line header in Section 20, Township 7 North, Range 10 East, Concordia Parish, Louisiana, and ending at the main line header in Section 56, Township 7 North, Range 3 West, Adams County, Mississippi.

Applicant states in its application that the line proposed to be abandoned will be removed in part, and the balance abandoned in its present location. The portion to be removed is that portion from the main line header to the waters edge in Concordia Parish, Louisiana, and that portion of pipe from the main line header to the waters edge in Adams County, Mississippi. Applicant wishes to reclaim this portion of the pipeline for use elsewhere on Applicant's system. The portion to be abandoned in place is that portion of the pipe from waters edge to waters edge in the river bed. Applicant further states in its application that the portion of line proposed to be abandoned has been out of service since December 19, 1944, at which time it was broken by a Navy vessel weighing anchor and that this portion of line cannot be repaired economically.

Applicant, further states that there will not be any loss of service by reason of the abandonment and removal of this pipe, and that its main transmission system has a capacity of 170,000 Mcf per 24 hours. Applicant estimates that a total daily volume of 122,000 Mcf of gas will be available to it under peak conditions from the Monroe Field, the Vixen Field, Caldwell Parish, Louisiana, and the Carthage Point Field, Adams County, Mississippi. In addition, Applicant anticipates that other quantities of gas will be available from other fields recently developed adjacent to Applicant's main transmission system, such as the Holly Ridge field in Tensas Parish, Louisiana, and that in this way Applicant will be able to meet any demand expected to be made on the main transmission system and thus the original delivery capacity of 170,000 Mcf per 24 hours can be maintained.

Applicant estimates that the cost of removing a portion of the 1.63 miles of pipe is $5,327.65. The estimated total original installed cost of the materials to be retired is $67,185.49; and, the estimated total value of saleable material is $11,236.43.

Any interested State commisison is requested to notify the Federal Power Commission whether the application should be considered under the cooperative provisions of the Commission's rules of practice and procedure, and if so, to advise the Federal Power Commission as to the nature of its interest in the matter and whether it desires a conference, the creation of a board, or a joint or concurrent hearing, together with the reasons for such request.

The application of Interstate Natural Gas Company, Inc., is on file with the Commission and is open to public inspection. Any person desiring to be heard or to make any protest with reference to the application shall file with the Federal Power Commission, Washington 25, D. C., not later than fifteen days from the date of publication of this notice in the FEDERAL REGISTER, a petition to intervene or protest. Such petition or protest shall conform to the requirements of the rules of practice and procedure (effective September 11, 1946), and shall set out clearly and concisely the facts from which the nature of the petitioner's or protestant's alleged right or interest can be determined. Petitions for intervention shall state fully and completely the grounds of the proposed intervention and the contentions of the petitioner in the proceeding, so as to advise the parties and the Commission as to the specific issues of fact or law to be raised or controverted, by admitting, denying, or otherwise answering specifically and in detail, each material allegation of fact or law asserted in the proceeding.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 47-6365; Filed, July 8, 1947; 8:57 a. m.]

[Docket No. G-914]

MEMPHIS NATURAL GAS CO.

NOTICE OF APPLICATION

JULY 1, 1947.

Notice is hereby given that on June 17, 1947, Memphis Natural Gas Company (Applicant), a Delaware corporation having its principal place of business at Memphis, Tennessee, and authorized to do business in the States of Louisiana, Arkansas, Mississippi and Tennessee, filed an application for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act, as amended, authorizing the construction and operation of the following:

(a) One 1,200 h. p. gas compressor unit at its Lula, Mississippi compressing station.

(b) One 1,200 h. p. gas compressor unit at its Benoit, Mississippi compressing station.

(c) One 1,200 h. p. gas compressor unit at its Wilmot, Arkansas compressing station.

(d) One 14-inch O. D. submarine pipe line across the Mississippi River near Greenville, Mississippi to replace one 10-inch line lost by changing river currents.

Applicant states that the present maximum pipe line flow capacity, excluding gas for company use, is 159,954 Mcf. Applicant estimates peak day requirements of 185,000 Mcf for the 1947-1948 winter season. The proposed facilities will increase the capacity by 25,046 Mcf. Applicant states that the 14-inch submarine pipeline crossing is needed to replace a 10-inch crossing which has been lost by changing river currents.

Applicant estimates the over-all capital cost of the facilities totals $654,323, of which not more than $500,000 will be borrowed from banks at a probable rate of interest of 2¼%.

Any interested State commission is requested to notify the Federal Power Commission whether the application should be considered under the cooperative provisions of the Commission's rules of practice and procedure and, if so, to advise the Federal Power Commission as to the nature of its interest in the matter and whether it desires a conference, the creation of a board, or a joint or concurrent hearing, together with reasons for such request.

The application of Memphis Natural Gas Company is on file with the Commission and is open to public inspection. Any person desiring to be heard or to make any protest with reference to the application shall file with the Federal Power Commission, Washington, D. C., not later than fifteen days from the date of publication of this notice in the FEDERAL REGISTER, a petition to intervene or protest. Such petition or protest shall conform to the requirements of the rules of practice and procedure (effective September 11, 1946), and shall set out clearly and concisely the facts from which the nature of the petitioner's or protestant's alleged right or interest can be determined. Petitions for intervention shall state fully and completely the grounds of the proposed intervention and the contentions of the petitioner in the proceeding so as to advise the parties and the Commission as to the specific issues of fact or law to be raised or controverted, by admitting, denying, or otherwise answering, specifically and in detail, each material allegation of fact or law asserted in the proceeding.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 47-6363; Filed, July 8, 1947; 8:57 a. m.]

[Docket No. G-915]

UNITED GAS PIPE LINE CO.

NOTICE OF APPLICATION

JULY 1, 1947.

Notice is hereby given that on June 19, 1947, United Gas Pipe Line Company (Applicant), a Delaware corporation with its principal place of business at Shreveport, Louisiana, and authorized to do business in the States of Alabama, Florida, Louisiana, Mississippi, and Texas, filed an application for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act, as amended, authorizing the construction and operation of approximately 33 miles of 20-inch natural gas transmission line extending from the outlet side of

Applicant's gasoline plant in the Carthage Field, Panola County, Texas, in a northwesterly direction to a point at or near the terminus of the 24-inch natural gas transmission line of Texas Eastern Transmission Corporation (Texas Eastern) near the City of Longview, Gregg County, Texas, together with approximately 9 miles of 10-inch lateral transmission line to connect with the gasoline plant of Lone Star Gas Company in said Carthage Field and necessary appurtenant facilities. Said 20-inch line is proposed to be interconnected with said 24-inch line of Texas Eastern as well as with the existing transmission system of Applicant in the vicinity of Longview, Texas.

Applicant states that the proposed pipeline will be used to reenforce and augment the delivery capacity of its present Dallas District System west of Longview, Texas, to make more gas available for delivery in the Dallas area, where a deficit presently exists, to transport for, as well as to sell and deliver natural gas to Texas Eastern. The application recites that the estimated maximum daily delivery capacity of the proposed facilities will be approximately 230,000 Mcf with a pressure of 800 pounds at the point of delivery to Texas Eastern. Applicant estimates that the maximum day demand for 1947–48 on these facilities will be 155,000 Mcf, of which 100,000 Mcf will be sold to Texas Eastern, 25,000 transported for Texas Eastern from the Gasoline Plant of Lone Star Gas Company, and 30,000 Mcf to be delivered into Applicant's Longview West System.

Applicant estimates that the total over-all capital cost of the proposed facilities is $1,730,000. In order to finance its 1947 construction including construction covered by this application, Applicant will either (1) borrow from its parent, United Gas Corporation, and issue unsecured notes for the amount of such borrowing, or (2) sell bonds to its parent, United Gas Corporation, in accordance with Applicant's mortgage and Deed of Trust dated September 25, 1944.

Any interested State commission is requested to notify the Federal Power Commission whether the application should be considered under the cooperative provisions of the Commission's rules of practice and procedure and, if so, to advise the Federal Power Commission as to the nature of its interest in the matter and whether it desires a conference, the creation of a board, or a joint or concurrent hearing, together with reasons for such request.

The application of United Gas Pipe Line Company is on file with the Commission and is open to public inspection. Any person desiring to be heard or to make any protest with reference to the application shall file with the Federal Power Commission, Washington 25, D. C., not later than fifteen days from the date of publication of this notice in the FEDERAL REGISTER, a petition to intervene or protest. Such petition or protest shall conform to the requirements of the rules of practice and procedure (effective September 11, 1946), and shall set out clearly and concisely the facts from which the nature of the petitioner's or protestant's alleged right or interest can be determined. Petitions for intervention shall state fully and completely the grounds of the proposed intervention and the contentions of the petitioner in the proceeding so as to advise the parties and the Commission as to the specific issues of fact or law to be raised or controverted, by admitting, denying, or otherwise answering, specifically and in detail, each material allegation of fact or law asserted in the proceeding.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 47-6364; Filed, July 8, 1947; 8:57 a. m.]

FEDERAL SECURITY AGENCY

Social Security Administration

CERTIFICATION TO UNEMPLOYMENT COMPENSATION COMMISSION OF MONTANA PURSUANT TO SECTION 1602 OF INTERNAL REVENUE CODE

The Unemployment Compensation Commission of the State of Montana having duly submitted to the Commissioner for Social Security, pursuant to the provisions of section 1602 (b) (3) of the Internal Revenue Code, as amended, the Montana unemployment compensation law; and

The Acting Commissioner for Social Security having considered the provisions of said law to determine whether or not reduced rates of contributions are allowable thereunder under conditions fulfilling the requirements of section 1602 of the Internal Revenue Code;

The Acting Commissioner for Social Security hereby finds that:

(1) Said law provides for a pooled fund as defined in section 1602 (c) (2) of the Internal Revenue Code; and

(2) Reduced rates of contributions under said law to such pooled fund are allowable only in accordance with the provisions of section 1602 (a) (1) of the Internal Revenue Code.

Pursuant to the provisions of section 1602 (b) (3) of the Internal Revenue Code, the Acting Commissioner for Social Security hereby directs that the foregoing findings be certified to the Unemployment Compensation Commission of the State of Montana.

[SEAL] W. L. MITCHELL,
Acting Commissioner for Social Security.

Approved: July 1, 1947.

MAURICE COLLINS,
Acting Administrator.

[F. R. Doc. 47-6361; Filed, July 8, 1947; 8:46 a. m.]

FEDERAL TRADE COMMISSION

[Docket No. 5486]

INDEPENDENT DIRECTORY CORP. ET AL.

ORDER APPOINTING TRIAL EXAMINER AND FIXING TIME AND PLACE FOR TAKING TESTIMONY

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 1st day of July A. D. 1947.

In the matter of Independent Directory Corporation, a corporation; New Jersey Directory Corporation, a corporation; William Oleck Advertising Corporation, a corporation; and William Oleck, David Oleck and Maury Oleck, individually and as officers of the aforesaid corporations.

This matter being at issue and ready for the taking of testimony and the receipt of evidence, and pursuant to authority vested in the Federal Trade Commission.

It is ordered, That Webster Ballinger, a trial examiner of this Commission, be and he hereby is designated and appointed to take testimony and receive evidence in this proceeding and to perform all other duties authorized by law;

It is further ordered, That the taking of testimony and the receipt of evidence begin on Wednesday, July 9, 1947, at one o'clock in the afternoon of that day (Eastern Standard Time), in Room 500, 45 Broadway, New York, New York.

Upon the completion of the taking of testimony and the receipt of evidence in support of the allegations of the complaint, the trial examiner is directed to proceed immediately to take testimony and receive evidence on behalf of the respondents. The trial examiner will then close the taking of testimony and evidence and, after all intervening procedure as required by law, will close the case and make and serve on the parties at issue a recommended decision which shall include recommended findings and conclusions, as well as the reasons or basis therefor, upon all the material issues of fact, law, or discretion presented on the records, and an appropriate recommended order; all of which shall become a part of the record in said proceeding.

By the Commission.

[SEAL] WM. P. GLENDENING, Jr.,
Acting Secretary.

[F. R. Doc. 47-6367; Filed, July 8, 1947; 8:46 a. m.]

[Docket No. 5488]

UNICORN PRESS

ORDER APPOINTING TRIAL EXAMINER AND FIXING TIME AND PLACE FOR TAKING TESTIMONY

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 27th day of June A. D. 1947.

In the matter of Joseph L. Morse, Mac Gache, Gertrude Morse, and Rose Gache, individually and as copartners, trading as Unicorn Press.

This matter being at issue and ready for the taking of testimony and the receipt of evidence, and pursuant to authority vested in the Federal Trade Commission,

It is ordered, That Clyde M. Hadley, a trial examiner of this Commission, be and he hereby is designated and appointed to take testimony and receive evidence in this proceeding and to perform all other duties authorized by law;

It is further ordered, That the taking of testimony and the receipt of evidence begin on Monday, July 21, 1947, at nine

o'clock in the forenoon of that day (Eastern Standard Time), in Room 500, 45 Broadway, New York, New York.

Upon the completion of the taking of testimony and the receipt of evidence in support of the allegations of the complaint, the trial examiner is directed to proceed immediately to take testimony and receive evidence on behalf of the respondents. The trial examiner will then close the taking of testimony and evidence and, after all intervening procedure as required by law, will close the case and make and serve on the parties at issue a recommended decision which shall include recommended findings and conclusions, as well as the reasons or basis therefor, upon all the material issues of fact, law, or discretion presented on the record, and an appropriate recommended order; all of which shall become a part of the record in said proceeding.

By the Commission.

[SEAL] WM. P. GLENDENING, Jr.,
Acting Secretary.

[F. R. Doc. 47-6366; Filed, July 8, 1947; 8:46 a. m.]

INTERSTATE COMMERCE COMMISSION

[S. O. 749-A]

UNLOADING OF POPCORN AT LAREDO, TEX.

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 2d day of July A. D. 1947.

Upon further consideration of Service Order No. 749 (12 F. R. 3752), and good cause appearing therefor; it is ordered, that:

(a) Service Order No. 749, *Popcorn at Laredo, Tex. on IGN be unloaded*, be, and it is hereby, vacated and set aside.

It is further ordered, that this order shall become effective at 6:00 p. m., July 3, 1947; that a copy of this order and direction be served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this order be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

(40 Stat. 101, sec. 402; 418; 41 Stat. 476, sec. 4; 54 Stat. 901, 911; 49 U. S. C. 1 (10)-(17), 15 (2))

By the Commission, Division 3.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 47-6356; Filed, July 8, 1947; 8:46 a. m.]

[S. O. 751-A]

UNLOADING OF FERTILIZER AT GALVESTON, TEX.

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 2d day of July A. D. 1947.

Upon further consideration of Service Order No. 751 (12 F. R. 3786), and good cause appearing therefor; it is ordered, that:

(a) Service Order No. 751, *Fertilizer at Galveston, Tex., on B-RI R. R. be unloaded*, be, and it is hereby, vacated and set aside.

It is further ordered, that this order shall become effective at 6:00 p. m., July 3, 1947; that a copy of this order and direction be served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this order be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

(40 Stat. 101, sec. 402; 418; 41 Stat. 476, sec. 4; 54 Stat. 901, 911; 49 U. S. C. 1 (10)-(17), 15 (2))

By the Commission, Division 3.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 47-6357; Filed, July 8, 1947; 8:46 a. m.]

SECURITIES AND EXCHANGE COMMISSION

BEHEL, JOHNSEN & CO., INC.

ORDER REVOKING REGISTRATION

At a regular session of the Securities and Exchange Commission, held at its office in the City of Philadelphia, Pa., on the 24th day of June A. D. 1947.

Proceedings having been instituted to determine whether the registration of Behel, Johnsen & Company, Inc. ("registrant") as a broker and dealer should be revoked pursuant to section 15 (b) of the Securities Exchange Act of 1934 and to determine whether registrant should be expelled, pursuant to section 15A (*l*) (2) of said act, from membership in the National Association of Securities Dealers, Inc. ("NASD");

Registrant having filed a stipulation of facts in these proceedings and having admitted the facts set forth in the order for proceedings, and having consented to revocation of its registration and to its expulsion from membership in the NASD;

The Commission being fully advised in the premises and having this day issued its findings and opinion herein, on the basis of said findings and opinion and the said consent,

It is ordered, That the registration of Behel, Johnsen & Company, Inc., as a broker and dealer be and hereby is revoked, and that the registrant be, and hereby is expelled from membership in the NASD.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F. R. Doc. 47-6350; Filed, July 8, 1947; 8:55 a. m.]

[File Nos. 59-9 and 59-88]

PHILADELPHIA CO. ET AL.

ORDER GRANTING ORAL ARGUMENT

At a regular session of the Securities and Exchange Commission, held at its office in the City of Philadelphia, Pa., on the 2d day of July A. D. 1947.

In the matter of Philadelphia Company and certain of its subsidiary companies, Standard Power and Light Corporation, and Standard Gas and Electric Company, respondents, File No. 59-88; Standard Power and Light Corporation Standard Gas and Electric Company and subsidiary companies thereof, respondents, File No. 59-9.

Maurice J. Dix, counsel for Jules Guggenheim, et al., public holders of certain of the securities of certain of the underliers of the Pittsburgh Railways Company having moved for a review by the Commission of a ruling by the trial examiner which struck out said counsel's appearance in the proceedings, barred him from further participation and struck from the record all statements made by such counsel; and

Oral argument and consideration of said motion having been requested thereon;

The Commission having considered such request and deeming it appropriate that the request be granted;

It is ordered, That the oral argument on the aforesaid motion shall take place before the Commission on July 8, 1947 at 10:00 a. m., e. d. s. t., at the offices of the Securities and Exchange Commission, 18th and Locust Streets, Philadelphia, Pennsylvania; and

It is further ordered, That the Secretary of the Commission shall serve notice of the aforesaid oral argument by mailing copies of this order by registered mail to all persons and parties entitled to notice in these proceedings.

By the Commission.

[SEAL] NELLYE A. THORSEN,
Assistant to the Secretary.

[F. R. Doc. 47-6344; Filed, July 8, 1947; 8:54 a. m.]

[File No. 30-36]

MIDLAND UNITED CO.

NOTICE OF FILING OF APPLICATION

At a regular session of the Securities and Exchange Commission, held at its office in the City of Philadelphia, Pennsylvania, on the 30th day of June 1947.

Notice is hereby given that an application has been filed with this Commission pursuant to section 5 (d) of the Public Utility Holding Company Act of 1935 ("act") by Hugh M. Morris, formerly Surviving Trustee of the Estate of Midland United Company, for an order under said act finding that he has ceased to be a holding company.

Notice is further given that any interested person may, not later than July 15, 1947, at 5:30 p. m., e. d. s. t., request the Commission in writing, that a hearing be held on such matter, stating the reasons for such request, the nature of his interest and the issues of fact or law

raised by said application which he desires to controvert, or may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, 18th and Locust Streets, Philadelphia 3, Pennsylvania. At any time thereafter, such application, as filed or as amended, may be granted.

All interested persons are referred to said application which is on file in the office of this Commission for a complete statement of the matters contained in such application, which may be summarized as follows:

On or about December 1, 1935, Hugh M. Morris and John N. Shannahan, as Trustees of the Estate of Midland United Company, a corporation in reorganization under section 77B of the Bankruptcy Act in the United States District Court for the District of Delaware ("Court"), filed a notification of registration under section 5 (a) of the act. On February 9, 1939, an amendment to such notification of registration was filed in which it was suggested that John N. Shannahan had died on August 16, 1938, and that Hugh M. Morris thereby became the sole Surviving Trustee of the Estate of Midland United Company. A joint modified plan of reorganization for Midland United Company, and its subsidiary, Midland Utilities Company, filed pursuant to section 11 (f) of the act and Chapter X of the Bankruptcy Act, was confirmed by the Court on April 7, 1945, and has since been consummated. On May 25, 1945, Hugh M. Morris, pursuant to an order of the Court, divested himself of all right, title, and interest in and to all assets held by him as Trustee. As a result of such action taken by him, applicant states that he does not own, control, or hold with power to vote, directly or indirectly, 10% or more of the outstanding voting securities of a public utility company or a holding company. In addition, pursuant to an order of the court, Hugh M. Morris has been discharged as Surviving Trustee of the Estate of Midland United Company. Accordingly, applicant requests that the Commission find and declare by order that Hugh M. Morris, as Surviving Trustee of the Estate of Midland United Company, has ceased to be a holding company.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F. R. Doc. 47-6351; Filed, July 8, 1947; 8:55 a. m.]

[File No. 70-1520]

KENTUCKY UTILITIES CO. ET AL.

ORDER MODIFYING PREVIOUS ORDER PERMITTING SIMPLIFICATION OF HOLDING COMPANY SYSTEM

At a regular session of the Securities and Exchange Commission, held at its office in the City of Philadelphia, Pa., on the 1st day of July A. D. 1947.

In the matter of Kentucky Utilities Company, Old Dominion Power Company, and The Middle West Corporation, File No. 70-1520.

The Commission, on June 16, 1947, issued its memorandum findings and opinion and order granting and permitting to become effective, subject to certain conditions, joint applications-declarations, as amended, filed pursuant to the Public Utility Holding Company Act of 1935, by The Middle West Corporation ("Middle West"), a registered holding company, Kentucky Utilities Company ("Kentucky"), a subsidiary of Middle West, and Old Dominion Power Company ("Dominion"), a subsidiary of Kentucky, regarding a proposed recapitalization of Kentucky and Dominion and related transactions (see Holding Company Act Release No. 7489). Such transactions included the issue and sale by Kentucky, at competitive bidding pursuant to Rule U-50, of bonds and preferred stock, the acquisition by Middle West of shares of the common stock of Kentucky, and the acquisition by Kentucky of shares of the common stock of Dominion.

Amendments to said applications-declarations were filed by the applicants-declarants which set forth the action taken by Kentucky to comply with the requirements of Rule U-50 and which requested that said order of June 16, 1947 be modified to conform to the requirements of sections 371, 372, 373, and 1808 (f) of the Internal Revenue Code, as amended.

The Commission thereafter, on June 25, 1947, issued a supplemental order approving the action taken by Kentucky pursuant to Rule U-50, subject to certain conditions, and reserving jurisdiction with respect to the request for modification of said order of June 16, 1947 (see Holding Company Act Release No. 7515).

There is presently pending before the Commission proceedings instituted pursuant to sections 11 (b) (1) and 11 (b) (2) with respect to Middle West and Kentucky and certain other subsidiaries of Middle West (see Holding Company Act Release No. 6010).

Applicants-declarants now have submitted additional information with respect to the request for modification of said order of June 16, 1947, and the Commission has considered the record relevant to such request and finds that the proposed investment by Middle West of funds in the common stock of Kentucky and the proposed investment of funds by Kentucky in the common stock of Dominion are appropriate steps toward the simplification of the holding company system of Middle West, and that it is appropriate to modify said order June 16, 1947 in certain respects to conform with the requirements of sections 371, 372, 373 and 1808 (f) of the Internal Revenue Code, as amended.

It is therefore ordered, That the order of this Commission issued on June 16, 1947 in the above matter be, and hereby is, modified by adding thereto the following paragraph:

It is further ordered and recited, That the following transactions are necessary or appropriate to the simplification of the holding company system of The Middle West Corporation and to effectuate the provisions of section 11 (b) of the Public Utility Holding Company Act of 1935:

(1) The issue, upon original issue, and the sale by Kentucky Utilities Company to The Middle West Corporation for cash at par of 1,049,689 additional shares of Common Stock of Kentucky Utilities Company of the par value of $10 per share in accordance with the terms of this order;

(2) The expenditures by The Middle West Corporation for 457,972.46 shares of the said 1,049,689 shares of Common Stock of Kentucky Utilities Company of (a) $1,465,714.43, being the amount received by The Middle West Corporation from the sale of 57,226 shares of the par value of $10 each of Common Stock of Michigan Gas and Electric Company and from the redemption by Michigan Gas and Electric Company of 4,878 shares without par value of its $6 Non Par Prior Lien Stock held by The Middle West Corporation, and (b) $2,613,760.17, being the amount received by The Middle West Corporation from the sale of 146,923 shares without par value of common stock of Northern Indiana Public Service Company, and (c) $500,250, being the amount received by The Middle West Corporation from the sale of 9,000 shares without par value of $3 Cumulative Preferred Stock of Copper District Power Company; and

(3) The issue by Old Dominion Power Company to Kentucky Utilities Company of 60,193 shares of common stock of the par value of $25 per share in accordance with the terms of this order.

By the Commission.

[SEAL] NELLYE A. THORSEN,
Assistant to the Secretary.

[F. R. Doc. 47-6345; Filed, July 8, 1947; 8:54 a. m.]

DEPARTMENT OF JUSTICE

Office of Alien Property

AUTHORITY: 40 Stat. 411, 55 Stat. 839, Pub. Laws 322, 671, 79th Cong., 60 Stat. 50, 925; 50 U. S. C. and Supp. App. 1, 616, E. O. 9193, July 6, 1942, 3 CFR, Cum. Supp., E. O. 9567, June 8, 1945, 3 CFR, 1945 Supp., E. O. 9788, Oct. 14, 1946, 11 F. R. 11981.

[Vesting Order 9009]

FRIEDRICH HENBECK

In re: Bank account owned by Friedrich Henbeck. F-28-24003-C-1.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Friedrich Henbeck, whose last known address is Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the property described as follows: That certain debt or other obligation of Bank of America, National Trust and Savings Association, 300 Montgomery Street, San Francisco 20, California, arising out of a Savings Account, Account Number 19635, entitled Friedrich Henbeck, maintained at the Humboldt Branch, San Francisco, California, of the

aforesaid bank, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on May 20, 1947.

For the Attorney General.

[SEAL] DONALD C. COOK,
Director.

[F. R. Doc. 47-6370; Filed, July 8, 1947; 8:47 a. m.]

[Vesting Orded 9066]

ASAHI PETROLEUM CO. AND NIHON SEKIYU KABUSHIKI KAISHA

In re: Debts owing to Asahi Petroleum Company, also known as Asahi Sekiyu Kabushiki Kaisha, and Nihon Sekiyu Kabushiki Kaisha. F-39-2365-C-1, F-39-2311-C-1.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Asahi Petroleum Company, also known as Asahi Sekiyu Kabushiki Kaisha, and Nihon Sekiyu Kabushiki Kaisha, the last known address of which is Tokyo, Japan, the corporations, partnerships, associations or other business organizations, organized under the laws of Japan, and which have or, since the effective date of Executive Order 8389, as amended, have had their principal places of business in Japan and are nationals of a designated enemy country (Japan);

2. That the property described as follows:

a. That certain debt or other obligation owing to Asahi Petroleum Company, also known as Asahi Sekiyu Kabushiki Kaisha, by Balfour, Guthrie & Co., Limited, 351 California Street, San Francisco, California, in the amount of $3,180.94, as of December 31, 1945, together with any and all accruals thereto, and any and all rights to demand, enforce and collect the same, and

b. That certain debt or other obligation owing to Nihon Sekiyu Kabushiki Kaisha, by Balfour, Guthrie & Co., Limited, 351 California Street, San Francisco, California, in the amount of $5,392.78, as of December 31, 1945, together with any and all accruals thereto, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid nationals of a designated enemy country (Japan).

and it is hereby determined:

3. That to the extent that the persons named in subparagraph 1 hereof are not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Japan).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on May 26, 1947.

For the Attorney General.

[SEAL] DONALD C. COOK,
Director.

[F. R. Doc. 47-6371; Filed, July 8, 1947; 8:47 a. m.]

[Vesting Order 9067]

PAULA KOHLER DEINHARDT

In re: Debt owing to Paula Kohler Deinhardt, also known as Paula Deinhardt Kohler, also known as Paula Deinhard. F-28-847-C-1.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Paula Kohler Deinhardt, also known as Paula Deinhardt Kohler, also known as Paula Deinhard, whose last known address is Heuchling, near Rauf, Bavaria, Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the property described as follows: That certain debt or other obligation owing to Paula Deinhard, by Trust Company of North America, 115 Broadway, New York 5, New York, as Agent for Trustees of Series C-2 New York Title & Mortgage Company, in the amount of $15.76, evidenced by a check issued by Trust Company of North America, to Paula Deinhard, dated December 30, 1939, and numbered 1432, said check presently in the custody of McNamara & Seymour, 120 Broadway, New York 5, New York, and any and all rights to demand, enforce and collect the aforementioned debt or other obligation, and any and all rights in, to and under the aforementioned check.

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on May 26, 1947.

For the Attorney General.

[SEAL] DONALD C. COOK,
Director.

[F. R. Doc. 47-6372; Filed, July 8, 1947; 8:47 a. m.]

[Vesting Order 9072]

MARIE HUBER ET AL.

In re: Debts owing to Marie Huber (nee Hippman), Wilhelmina Emma Huber and Marie Huber. F-28-11487-C-1.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Marie Huber (nee Hippman), Wilhelmina Emma Huber and Marie Huber, each of whose last known address is Dresden, Germany, are residents of Germany and nationals of a designated enemy country (Germany);

2. That the property described as follows: Those certain debts or other obligations owing to Marie Huber (nee Hippman), Wilhelmina Emma Huber and Marie Huber by The Ninth Bank and Trust Company, Front and Norris Streets, Philadelphia, Pennsylvania, in the amounts of $267.67, $401.50, and $401.50, respectively, as of January 24, 1947, evidenced

by certificates of deposit numbered 261, 262 and 263, respectively, issued by said bank and presently in the custody of Mowitz & Kohlhas, 1420 Walnut Street, Philadelphia, Pennsylvania, together with any and all accruals to the aforesaid debts or other obligations and any and all rights to demand, enforce and collect the same, and any and all rights in, to and under, including particularly the right to possession of the aforesaid certificates of deposit,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid nationals of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the persons named in subparagraph 1 hereof are not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on May 26, 1947.

For the Attorney General.

[SEAL] DONALD C. COOK,
Director.

[F. R. Doc. 47-6373; Filed, July 8, 1947; 8:47 a. m.]

[Vesting Order 9073]

FREDRICK LINGG

In re: Bank account owned by Fredrick Lingg, also known as Fred Lingg, also known as Fritz Lingg. F-28-28091-C-1, F-28-28091-E-1.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Fredrick Lingg, also known as Fred Lingg, also known as Fritz Lingg, whose last known address is Moos, Post Weitman 13 b, Bayern, Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the property described as follows: That certain debt or other obligation owing to Fredrick Lingg, also known as Fred Lingg, also known as Fritz Lingg, by The First National Bank of Pleasanton, 700 Main Street, Pleasanton, California, arising out of a savings account, Account Number 3124, entitled Fred Lingg, maintained at the aforesaid bank, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on May 26, 1947.

For the Attorney General.

[SEAL] DONALD C. COOK,
Director.

[F. R. Doc. 47-6374; Filed, July 8, 1947; 8:47 a. m.]

[Vesting Order 9074]

SOPHIE MICHAELIS

In re: Bank account owned by Sophie Michaelis. F-28-4049-E-1.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Sophie Michaelis, whose last known address is Suestedt, Post Vilsen, Hanover, Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the property described as follows: That certain debt or other obligation owing to Sophie Michaelis, by Bank of America, National Trust and Savings Association, 300 Montgomery Street, San Francisco 20, California, arising out of a Savings Account, Account Number 6743, entitled Sophie Michaelis, maintained at the Market-New Montgomery Office of the aforesaid bank, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on May 26, 1947.

For the Attorney General.

[SEAL] DONALD C. COOK,
Director.

[F. R. Doc. 47-6375; Filed, July 8, 1947; 8:47 a. m.]

[Vesting Order 9105]

MARGARETE ALSGUTH AND DIEDRICH VON DOEHLEN

In re: Bank accounts owned by Margarete Alsguth and Diedrich Von Doehlen. F-28-2945-C-1, F-28-3727-C-1.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Margarete Alsguth and Diedrich Von Doehlen, whose last known address is Germany, are residents of Germany and nationals of a designated enemy country (Germany);

2. That the property described as follows:

a. That certain debt or other obligation owing to Margarete Alsguth, by Anglo California National Bank, San Francisco, California, arising out of a Savings Account, Account Number 26765, entitled Margarete Alsguth and any and all rights to demand, enforce and collect the same, and

b. That certain debt or other obligation owing to Diedrich Von Doehlen, by Anglo California National Bank, San Francisco, California, arising out of a Savings Account, Account Number 26772, entitled Diedrich Von Doehlen, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid nationals of a designated enemy country (Germany):

and it is hereby determined:

3. That to the extent that the persons named in subparagraph 1 hereof are not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on May 28, 1947.

For the Attorney General.

[SEAL] DONALD C. COOK,
Director.

[F. R. Doc. 47-6376; Filed, July 8, 1947; 8:47 a. m.]

[Vesting Order 9106]

CARL BOCK

In re: Debts owing to Carl Bock. F-28-806-C-1/3.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Carl Bock, whose last known address is Alstertor 1, Hamburg, Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the property described as follows:

a. That certain debt or other obligation owing to Carl Bock, by The Jarka Corporation, 15 Whitehall Street, New York 4, New York, in the amount of $1571.31, as of March 20, 1947, together with any and all accruals thereto, and any and all rights to demand, enforce and collect the same,

b. That certain debt or other obligation owing to Carl Bock, by Jarka Corporation of Philadelphia, 15 Whitehall Street, New York 4, New York, in the amount of $163.42, as of March 20, 1947, together with any and all accruals thereto, and any and all rights to demand, enforce and collect the same,

c. That certain debt or other obligation owing to Carl Bock, by Jarka Corporation of Baltimore, 15 Whitehall, Street, New York 4, New York, in the amount of $873.23, as of March 20, 1947, together with any and all accruals thereto, and any and all rights to demand, enforce and collect the same,

d. That certain debt or other obligation owing to Carl Bock, by Jarka Corporation of New England (formerly known as Jarka Corporation of Boston) 15 Whitehall Street, New York 4, New York, in the amount of $352.93, as of March 20, 1947, together with any and all accruals thereto, and any and all rights to demand, enforce and collect the same,

e. That certain debt or other obligation owing to Carl Bock, by Southern Stevedoring Corporation, c/o The Jarka Corporation, 15 Whitehall Street, New York 4, New York, in the amount of $160.39, as of March 20, 1947, together with any and all accruals thereto, and any and all rights to demand, enforce and collect the same, and

f. That certain debt or other obligation owing to Carl Bock, by Tidewater Stevedoring Corporation, c/o The Jarka Corporation, 15 Whitehall Street, New York 4, New York, in the amount of $156.16, as of March 20, 1947, together with any and all accruals thereto, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on May 28, 1947.

For the Attorney General.

[SEAL] DONALD C. COOK,
Director.

[F. R. Doc. 47-6377; Filed, July 8, 1947; 8:48 a. m.]

[Vesting Order 9113]

RHEINISCHE BAUERNBANK AND WESTDEUTSCHE LANDBANK

In re: Bank accounts owned by Rheinische Bauernbank and Westdeutsche Landbank. F-28-25708-E-1, F-28-1032-E-1.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Rheinische Bauernbank and Westdeutsche Landbank, whose last known addresses are c/o Bank fuer Landwirtschaft Aktiengesellschaft, 8 Bahnhof Strasse, Koeln, Germany, are corporations, partnerships, associations or other business organizations, organized under the laws of Germany, and which have or, since the effective date of Executive Order 8389, as amended, have had their principal places of business in Germany and are nationals of a designated enemy country (Germany);

2. That the property described as follows:

a. That certain debt or other obligation owing to Rheinische Bauernbank, by The New York Trust Company, 100 Broadway, New York, New York, arising out of a checking account, entitled Rheinische Bauernbank, and any and all rights to demand, enforce and collect the same, and

b. That certain debt or other obligation owing to Westdeutsche Landbank, by The New York Trust Company, 100 Broadway, New York, New York, arising out of a checking account, entitled Westdeutsche Landbank, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid nationals of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the persons named in subparagraph 1 hereof are not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on May 28, 1947.

For the Attorney General.

[SEAL] DONALD C. COOK,
Director.

[F. R. Doc. 47-6378; Filed, July 8, 1947; 8:48 a. m.]

[Vesting Order 9116]

SALE & CO., LTD.

In re: Debt owing to Sale and Company, Ltd. F-39-822-C-1, F-39-822-C-2, F-39-822-C-3.

Under the authority of the Trading with the Enemy Act, as amended, Execu-

tive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Sale and Company, Ltd., the last known address of which is Tokyo, Japan, is a corporation, partnership, association or other business organization, organized under the laws of Japan, and which has or, since the effective date of Executive Order 8389, as amended, has had its principal place of business in Japan and is a national of a designated enemy country (Japan);

2. That the property described as follows:

a. That certain debt or other obligation owing to Sale and Company, Ltd., by Dewey and Almy Chemical Company, 62 Whittemore Avenue, Cambridge 40, Massachusetts, in the amount of $1,175.78, as of December 31, 1945, together with any and all accruals thereto, and any and all rights to demand, enforce and collect the same,

b. That certain debt or other obligation owing to Sale and Company, Ltd., by Asbestos Limited Inc., Millington, New Jersey, in the amount of $3,051.32, as of December 31, 1945, together with any and all accruals thereto, and any and all rights to demand, enforce and collect the same, and

c. That certain debt or other obligation owing to Sale and Company, Ltd., by Balfour, Guthrie & Co., Limited, 67 Wall Street, New York 5, N. Y., in the amount of $423.00, as of December 31, 1945, together with any and all accruals thereto, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Japan);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof, is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Japan).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on May 28, 1947.

For the Attorney General.

[SEAL] DONALD C. COOK,
Director.

[F. R. Doc. 47-6379; Filed, July 8, 1947; 8:48 a. m.]

[Vesting Order 9117]

ANNA SCHUH AND FRIEDA FEYERBEND

In re: Bank account owned by Anna Schuh and Frieda Feyerbend. F-28-25865-E-1.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Anna Schuh, whose last known address is Parkstrasse 75, Wiesbaden, Germany and Frieda Feyerbend, whose last known address is Auguste Viktoria Strasse 65, Berlin, Germany, are residents of Germany and nationals of a designated enemy country (Germany);

2. That the property described as follows: That certain debt or other obligation of Central National Bank of Cleveland, Cleveland 1, Ohio, arising out of a savings account, account number E-67944, entitled Gretchen Schneider Atty-in-Fact for Anna Schuh and Frieda Feyerbend, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid nationals of a designated enemy country (Germany).

and it is hereby determined:

3. That to the extent that the persons named in subparagraph 1 hereof are not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on May 28, 1947.

For the Attorney General.

[SEAL] DONALD C. COOK,
Director.

[F. R. Doc. 47-6380; Filed, July 8, 1947; 8:48 a. m.]

[Vesting Order 9240]

GUSTAV SONTAG ET AL.

In re: Bonds, Stock, Investment Certificates, Bank Accounts owned by and debts owing to Gustav Sontag, Helene Wolff Berthold, Erich Wolff, Richard Reimer, Kurt E. Reimer, Walter Reimer, Friedrich Reimer and Magdalene Reimer.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Gustav Sontag, Helene Wolff Berthold, Erich Wolff, Richard Reimer, Kurt E. Reimer, Walter Reimer, Friedrich Reimer and Magdalene Reimer, whose last known addresses are Germany, are residents of Germany and nationals of a designated enemy country (Germany);

2. That the property described as follows:

a. One (1) City of Los Angeles Sewage Disposal, 4½% Bond, due April 1, 1954, of $1,000 face value, bearing the number 1538, in bearer form, and presently in the custody of Bank of America National Trust and Savings Association, Trust Department, San Bernardino, California, together with any and all rights thereunder and thereto,

b. One (1) Fruitvale Mutual Water Company first mortgage sinking fund, 4% to 5% Bond, due April 1, 1967, of $1,000 face value, bearing the number M-25, in bearer form, and presently in the custody of Bank of America National Trust and Savings Association, Trust Department, San Bernardino, California, together with any and all rights thereunder and thereto,

c. One (1) Southern Pacific, Oregon Lines first mortgage bond Series A, 4½%, due March 1, 1977, of $1,000 face value, bearing the number 43,353, in bearer form, and presently in the custody of Bank of America National Trust and Savings Association, Trust Department, San Bernardino, California, together with any and all rights thereunder and thereto,

d. Forty (40) shares of $10.00 par value preferred capital stock of North Ontario Packing Company, Los Angeles, California, a corporation organized under the laws of the State of Delaware, evidenced by Certificate Numbered 135, and presently in the custody of Bank of America National Trust and Savings Association, Trust Department, San Bernardino, California, together with all declared and unpaid dividends thereon,

e. Forty (40) shares of $2.50 par value Class A common capital stock of North Ontario Packing Company, Los Angeles, California, a corporation organized under the laws of the State of Delaware, evidenced by Certificate Numbered 135, and presently in the custody of Bank of America National Trust and Savings Association, Trust Department, San Bernardino, California, together with all declared and unpaid dividends thereon,

f. Nine (9) Ostpreussiche Landschaftel Pfandbrief, bearing Certificate Numbers 03445, 03446, 01897, 18000, 13453, 13454, 03584, 08676, 08677, and presently in the custody of Bank of America National Trust and Savings Association, Trust Department, San Bernardino, California, together with any and all rights thereunder and thereto,

g. Eight (8) Investment Certificates of Pacific States Savings and Loan Company, c/o Building & Loan Commissioner, 745 Market Street, San Francisco, California, representing claims against

Pacific States Savings and Loan Company, said certificates numbered as listed below, and registered in the names of the persons as follows; and presently in the custody of Bank of America National Trust and Savings Association, Trust Department, San Bernardino, California:

Certificate Number, Registered Owner, and OAP File No.

C-36655-A; Gustav Sontag; F-28-12268-A-1, F-28-12268-A-2, F-28-12268-C-1.
C-33655-B; Helene Berthold; F-28-9261-A-1, F-28-9261-A-2, F-28-9261-C-1.
C-33655-C; Erich Wolff; F-28-12791-A-1, F-28-12791-A-2, F-28-12791-C-1.
C-33655-D; Richard Reimer; F-28-13310-A-2, F-28-13310-A-1, F-28-13310-C-1, F-28-13310-E-1.
C-33655-E; Kurt E. Reimer; F-28-13308-A-1, F-28-13308-A-2, F-28-13308-C-1.
C-33655-F; Walter Reimer; F-28-13311-A-1, F-28-13311-A-2, F-28-13311-C-1, F-28-13311-E-1.
SF-33655-C; Friedrich Reimer; F-28-13307-A-1, F-28-13307-A-2, F-28-13307-C-1.
C-33655-H; Magdalene Reimer; F-28-13309-A-1; F-28-13309-A-2, F-28-13309-C-1.

together with any and all rights thereunder and thereto,

h. That certain debt or other obligation of Bank of America National Trust and Savings Assoication, San Bernardino, California, arising out of a Trust Account, entitled Heirs of Richard Sontag, Account Numbered 196-AN-47, maintained with the Trust Department of the aforesaid bank, and any and all rights to demand, enforce and collect the same, and

i. One (1) small yellow metal watch chain, presently in the custody of Bank of America National Trust and Savings Association, Trust Department, San Bernardino, California,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, Gustav Sontag, Helene Wolff Berthold, Erich Wolff, Richard Reimer, Kurt E. Reimer, Walter Reimer, Friedrich Reimer and Magdalene Reimer, the aforesaid nationals of a designated enemy country (Germany);

3. That the property described as follows:

a. That certain debt or other obligation owing to Richard Reimer, by Bank of America National Trust and Savings Association, Upland Branch, 198 North 2d Avenue, Upland, California, arising out of a savings account, Account Number 6771, entitled Richard Reimer, maintained at the aforesaid bank, and any and all rights to demand, enforce and collect the same, and

b. That certain debt or other obligation owing to Walter Reimer, by Bank of America National Trust and Savings Association, Upland Branch, 198 North 2d Avenue, Upland, California, arising out of a savings account, Account Number 6773, entitled Walter Reimer, maintained at the aforesaid bank, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, Richard Reimer and Walter Reimer, the aforesaid nationals of a designated enemy country (Germany);

and it is hereby determined:

4. That to the extent that the persons named in subparagraph 1 hereof are not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Germany);

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on June 23, 1947.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 47-6381; Filed, July 8, 1947; 8:48 a. m.]